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## U.S. Seeks To Stop Mideast Conflict

By William Claiborne  
Washington Post Service

JERUSALEM — U.S. special envoy Philip C. Habib met with Prime Minister Menachem Begin on Sunday to seek a cease-fire in the escalating Israeli-Palestinian conflict as Israeli jets bombed Palestinian guerrilla centers in Lebanon and the Palestinians fired rockets and artillery at Israeli settlements.

A 14-year-old Israeli youth was killed when a barrage of rockets fell on the northern Israeli town of Kfar Shemona, and 23 residents of the town were injured, including the youth's mother, who was in critical condition.

The Israeli fighter-bombers pounded Palestinian regional command headquarters throughout southern Lebanon in the ninth day of intensifying hostilities across the Lebanese border. Palestinian positions in Nabatiyeh, Tyre and the crusader castle at Beaufort were among those bombed in Sunday's raids, the Israeli Army com-

mand said. An Israeli defense forces spokesman said the Israeli pilots reported "accurate hits" on guerrilla positions, including artillery emplacements that earlier in the day had fired salvos into the Israeli coastal resort city of Nahariya.

The headquarters of UN forces in southern Lebanon said that Sunday's hostilities began when Palestinian guerrillas fired eight artillery rounds at Nahariya. The Israeli Army responded 35 minutes later with 240 artillery and mortar rounds before Israeli bombers began their sorties. By midafternoon, UN spokesman Timur Goksel said, the Israelis had fired 370 artillery rounds, compared with 60 fired by the Palestinians.

[A communiqué issued by the Palestine Liberation Organization in Beirut and carried by the Palestinian news agency WAFNA mentioned no casualty figures. The Associated Press reported that Lebanese police said that 14 persons had been killed and 45 had been wounded in artillery and rocket duels between the Israeli border gunners and guerrillas.

[We put the responsibility of this aggression and acts of terror on the U.S. administration, which supplies this enemy [Israel] with sophisticated arms and means of destruction and which sanctions such attacks," the PLO communiqué said.]

Mr. Habib, who was ordered by President Reagan to break off his

(Continued on Page 2, Col. 1)



A march in Dublin to show support for IRA hunger strikers ended in violence as police defended the British Embassy.

## U.K. Again Rejects Talks With IRA Strikers

United Press International

BELFAST — The British government on Sunday rejected the latest proposal for direct talks with IRA hunger strikers. Supporters of the prisoners in Dublin vowed to stage a new demonstration outside the British Embassy.

About 180 people were injured Saturday when a march on the British Embassy by 17,000 hunger-strike supporters ended with hundreds of militants throwing bottles and bricks at police, who retaliated with repeated baton charges.

Eight Irish Republican Army hunger strikers in Maze prison claimed on Saturday that a Red Cross attempt to resolve the protest that the delegates were invited to

• The Warrington by-election signals emergence of a new-style party in Britain. Page 4.

inspect prison conditions at Maze. This is a central issue in the protest that has cost six lives since May.

The hunger strikers said "nothing of relevance emerged" in their meeting with the Red Cross.

Their attempt to initiate talks between ourselves and the British failed because the British were not even prepared to discuss a settlement, the prisoners' statement said.

Mr. Spak had been killed with a shotgun, his wife was found electrocuted. Police said Mrs. Spak had shot her husband, then killed herself.

Mr. Spak was about to leave with Mr. Thorn to attend the Western economic summit meeting in Ottawa.

The prisoners thanked the Red Cross "for trying to prevent any further loss of life" and again called for direct talks with the government — a move that the government of Prime Minister Margaret Thatcher has rejected for fear of the jail.

Jail Visits

The three-member Red Cross delegation arrived in Belfast Thursday from Geneva. They spent 4 hours Thursday, 12 hours Friday and most of Saturday inside the complex of H-shaped cell blocks at Maze.

will antagonize Ulster's Protestant majority.

Irish Premier Garret Fitzgerald praised the police for their restraint in the rioting on Saturday, which he said "had been provoked by people who were working not for a settlement of the hunger strike, but for a heightening of tension and violence throughout Ireland."

A police spokesman, after displaying playing thousands of bottles and

hundreds of large rocks that were used to batter police, said, "This was the worst violence directed at police in the history of the Republic."

The trouble erupted after march leader Bernadette Devlin McAliskey — one of Ulster's most influential political orators — was allowed through police lines to lay a wreath at the embassy, along with a few supporters. Hundreds of angry marchers tried to follow them.

Some demonstrators wielded poles as lances as they charged the cordon, accompanied by a hail of flying concrete slabs, stones, and bricks. Some police pitched the missiles back at the crowd, witnesses said.

Then the line parted and squads of reinforcements in riot gear charged the crowd, laying into the demonstrators with 2-foot long batons and scattering them in a panic run.

In Belfast, Mr. Atkins rejected the eight hunger strikers' latest proposal for direct negotiations.

He repeated the government position, which has remained the same from the start of the fasts. Mr. Atkins said that he would not negotiate with the hunger strikers until they called off their protest. Only then, he said, would Britain consider prison reforms.

The government rejection of direct talks spelled almost certain death for Kieran Doherty, 25, and Kevin Lynch, 24, who on Sunday had been on a fast for 59 and 58 days respectively. Both men were reported by relatives to be close to death and have received the last rites of the Roman Catholic Church.

In Dublin, supporters of the IRA prisoners met to map plans for another demonstration next Saturday. Government sources said that, this time, the army might be called out to help police protect the British Embassy.

## 111 Die in U.S. Hotel as Walkways Collapse

From Agency Dispatches

KANSAS CITY, Mo. — Dozens of bodies have been pulled from the rubble of two collapsed walkways in the lobby of the Hyatt Regency Hotel as officials began an investigation into one of the nation's worst hotel disasters. The death toll was 111, with 188 injured, several of them critically.

The accident happened Friday night when an indoor "sky bridge" filled with dancers four floors above the lobby collapsed, crashing onto a second crowded walkway and bringing both structures plunging to the main dance floor below.

Mayor Richard Berkley, calling it "a profound tragedy for this city," ordered a sweeping review of all city records — including building permits and inspection reports prepared during the planning and construction of the architecturally spectacular hotel tower.

Experts and officials said one theory for the cause of the collapse was that the walkways were carrying too much weight. Another was that the rhythmic vibrations of the dancers put too much strain on the structure.

Walkways Crowded

Witnesses said people had been

standing elbow-to-elbow, swaying with the music of a jazz number called "Satin Doll" on the walkways and in the lobby, shortly before the uppermost walkway collapsed.

Normally the walkways are used by guests moving from the side of the building containing living quarters to meeting rooms on lower floors across the lobby. But at the weekly social event called the Tea Dance, participants were allowed to dance on the walkways as well as in the lobby below.

As the crowd estimated by authorities and hotel officials at 1,200 to 1,500 danced, Friday night, the second-level walkway snapped from the steel rods that suspended it from the ceiling. It fell like a pancake onto the walk below. Both walkways, themselves filled with dancers and spectators, struck the crowd in the lobby.

The walkways were constructed of steel I-beams, covered with metal restraining sheets and then with a layer of concrete about three inches thick with girders woven in



Rescue workers searched through the debris of collapsed walkways for dead and injured in the photo below, an injured man is placed on a stretcher.

## Reagan Reportedly Decides to Ask Allies To Adopt Cautious Moscow Trade Policy

By Leslie H. Gelb  
New York Times Service

WASHINGTON — President Reagan has settled a policy dispute within the administration by deciding to ask U.S. allies to follow a collective, cautious approach toward the Soviet Union on economic matters.

Well-placed administration officials say that his decision to follow this course, rather than to confront allied leaders with a harder line on

• An IMF report says the fight against inflation should be given top priority. Page 7.

East-West trade issues, settled what was described as a major struggle between Secretary of State Alexander M. Haig Jr. and Secretary of Defense Caspar W. Weinberger.

[Mr. Reagan flew to Canada on Sunday for his first major summit conference, seeking rapport with the leaders of the world's richest democracies despite differences over high interest rates and trade with the Soviet bloc. The Associated Press reported that he arrived in Ottawa at midafternoon and then departed by helicopter for the Quebec town of Montebello, 40 miles away, where he and seven other leaders will meet in a 51-year-old log chalet.

[Among the first events on Mr. Reagan's schedule late Sunday afternoon were sessions with Chancellor Helmut Schmidt of West Germany, with whom he has already conferred in Washington, and his first meeting with Presi-

dent Francois Mitterrand of France, the Socialist who was elected May 10.]

According to administration officials, Mr. Reagan will ask the allies to study how importing Soviet energy will affect their vulnerability and to take a fresh look at whether trade with Moscow has moderated Soviet behavior.

These officials say he will urge that, while maintaining a cooperative economic policy toward the Soviet Union, the allies remain alert to security problems. He will also suggest, they said, that West Europeans take precautions in their prospective deal to build a pipeline and buy natural gas from the Soviet Union but will pose no flat objections to the deal.

Some officials said that the president seemed to be leaning toward approval of a \$40-million sale of pipeline laying equipment to the Soviet Union by the Caterpillar Tractor Co., indicating that he was not going to close trade doors with Moscow. Other officials said no decision had been made.

2 Meetings

Mr. Haig and Mr. Weinberger argued for their respective approaches to the economic question in two National Security Council meetings last week, with virtually all those present backing Mr. Haig except William J. Casey, the director of central intelligence, and Jean J. Kirkpatrick, the chief delegate to the United Nations.

Mr. Weinberger argued, the officials related, that economic relations with Moscow should be treated as an extension of the military alliance.

Some in the administration hailed this as a sign that the White

House had made its decision on these grounds. Since the allies are highly unlikely to curtail trade with the Soviet Union significantly, pressuring them would only create confrontation with the allies. If confronted, the allies would choose trade with Moscow over the Atlantic alliance, and the consequences of such a rejection of the U.S. position would be catastrophic.

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## Fakhani Street Counts Its Dead And Listens for Israeli Jets

By J. Michael Kennedy  
*Los Angeles Times Service*

BEIRUT — Before Friday morning, Palestinians lived on Fakhani Street. Then the Israeli jets came and bombed, blasting away at the neighborhood and the refugee camps near the Beirut airport.

On Saturday morning, what had been apartment buildings were bombed shells. Power lines dangled from their poles. Broken glass and blocks of cement filled the street. Men driving bulldozers cleared away debris, all the while looking for more bodies. They knew the official death count of 300 would go even higher.

And the people of Fakhani Street were listening for the sound of Israeli jets, waiting for another attack on the neighborhood.

"In this building alone, more than 100 people were killed," said Abdul Hadi, a spokesman for the Palestine Liberation Organization. No one expected the raid, certainly not the people who lived on Fakhani Street. The Israelis had not bombed Palestinians within Beirut since 1974, and even with the intense battles in southern Lebanon, the

city had not seemed a likely target.

Beirut, after all, was the largest city in Lebanon, the home of many Westerners, headquarters of embassies. But it was also the headquarters of the PLO and its leader Yasser Arafat. What the people of Fakhani Street did not know was that Israeli Prime Minister Menachem Begin had decided that population centers would not be spared from attack. Mr. Begin made his point Friday.

Mr. Hadi walked down the street and turned the corner, leading the way to a spot where a crane was pulling away mangled strands of steel reinforcement from one of the buildings. The steel would not give way easily and the men on the street, most of them carrying machine guns, backed away nervously after they were told concrete from above might come crashing down.

Mr. Hadi pointed to a building. "This building was bombed first with five or six 1,000-pound bombs," he pointed to another. "This building had civilian people. Children, women and old people were killed." In all, there were six demolished buildings on the street. Mr. Hadi never

finished his litany of the dead because a man with a bullhorn began yelling instructions in Arabic.

"Israeli fighters are in the air now," Mr. Hadi said. "We must leave." The people on the street were running. The look of fear was intense as they jammed into doorways, looking for corners that would protect them.

Mr. Hadi ran to the first door and looked around at the crowded lobby. "This is not safe," he said. "We will go somewhere else." He bolted out of the building and into the street. He crossed to the other side and ducked into a doorway just as the Israeli jets screamed overhead. The people on the street were screaming.

Mr. Hadi went down the stairs into darkness, around corners and into a room lit by a kerosene lamp. He stood there, out of breath, cigarette in hand. Others sat on the floor, backs to the wall, barely visible in the shadowy light.

"People are leaving their apartments and living under the ground," Mr. Hadi said. "For us, the main thing is to get missiles and anti-aircraft guns. We have demanded them from the other Arab countries, but did



Palestinians set up anti-aircraft positions in the streets of unbombed Beirut neighborhoods.

## Habib, Begin Meet on Lebanon Conflict 111 Killed

(Continued from Page 1)

diplomatic attempts to defuse the crisis over deployment of Syrian missiles in Lebanon and concentrate instead on arranging a cease-fire between Israel and the Palestinians, met twice Sunday with Mr. Begin and other top Israeli diplomatic and military officials.

### Habib Seeks Pact

In a one-hour morning session, Mr. Habib called on both sides to cease shooting immediately so that an agreement to a more permanent end to the fighting can be sought, perhaps with Syria acting as an intermediary. After another meeting Sunday night, Mr. Habib said he would consult with Mr. Begin on Tuesday after a special meeting of the Israeli Cabinet to consider the crisis. Mr. Habib refused to discuss details of his talks, saying only, "I've had very serious conversations with the prime minister about this complex problem."

The prime minister is understood to have told Mr. Habib that Israel did not initiate the cross-border exchanges and is not interested in letting the conflict escalate into a wider war of attrition.

However, Mr. Begin reportedly told Mr. Habib, neither is Israel willing to stand by and allow its

civilians to be killed by the Palestinians' newly acquired sophisticated weaponry, including rockets purchased from the Soviet Union and Syria, and long-range artillery.

In Washington, Secretary of State Alexander M. Haig Jr. made clear the Reagan administration's hopes that the talks between Mr. Habib and Mr. Begin will produce "some tamping down of the situation" before the United States makes a decision Tuesday whether to release F-16 fighter-bombers whose delivery to Israel was suspended after the Israeli bombing of an Iraqi nuclear reactor June 7.

The administration, which had planned to lift the suspension last Friday, pulled back hastily after the Israeli attacks on Beirut. Mr. Haig, interviewed on television, emphasized that no "specific understandings" have been reached about future Israeli use of U.S.-supplied weapons and he did nothing to counter the general impression in Washington that the planes will be released Tuesday whether Mr. Begin cooperates or not.

A senior official in the prime minister's office said that Mr. Begin and his key advisers held out little hope for a negotiated end to the war of attrition, and that there was growing pressure within the

### In Missouri 111 Killed

(Continued from Page 1)

and a thin veneer of concrete on the surface.

The scene in the hotel was a nightmare, with huge slabs of concrete stretched across the lobby floor, shattered glass and bodies pinned beneath the wreckage.

Dr. Bonita J. Peterson, Jackson County medical examiner, said most of the victims were crushed to death and that no individual autopsies had been planned.

The 733-room, 40-story, \$50-million hotel, which opened one year ago, is a part of the new Crown Center Complex. The hotel is operated by Hyatt Hotels but owned by Crown Center Redevelopment Corp., a subsidiary of Hallmark, Inc., the greeting card company that has its headquarters here.

The hotel was evacuated and closed after the accident and will remain closed indefinitely, officials said.

The hotel was built by the now-defunct Eldridge Construction Co. of Kansas City. Two Hyatt spokesmen said they had been assured that the skywalks could carry large numbers of people "shoulder to shoulder" without any danger.

## Politburo Is Realigned; Kania Keeps Party Post

(Continued from Page 1)

seats on the party's governing central committee.

"There is no greater danger than anarchy," said the premier, an army general speaking in full uniform and drawing heavy, rhythmic applause after his stern remarks.

"We have to say it clearly... We cannot permit this. If necessary, authorities will be forced to execute the constitutional obligations to save the state from decay and the nation from catastrophe."

"There are boundaries which cannot be crossed," he added.

The premier did not say what specific steps would be taken to prevent strikes. But he noted that the Polish Army had "kept coherence

and unity" during the crisis, and noted that "the party trusts the army."

The scene was returning to normal, as a small group of people walked away from Fakhani Street. Vendors reopened their stalls and cars ventured into the main street. And then the jets came again. The people in the street ran for cover. They were screaming and there was fear in their eyes.

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## Algeria Reportedly Gives Nicaragua Tanks

By Christopher Dickey  
*Washington Post Service*

**MANAGUA** — Algeria has given Nicaragua as many as 30 Soviet-made tanks and large quantities of other arms, according to Sandinista government and Third World diplomatic sources here.

The Algerian-backed military buildup is part of what one Latin ambassador called an "Arab offensive" that has inserted a new element into the economic, military and political life of an area where outside influences have been, until now, largely restricted to regional neighbors, the two superpowers and their proxies.

Iraq is considering a major aid program in Nicaragua, although no concrete agreement has been reached, Sandinista officials said. Libya has deposited \$100 million in Nicaragua's central bank to shore up the faltering economy and may invest hundreds of millions more in agricultural projects, according to Nicaraguan government sources.

The Palestine Liberation Organization, which now has a resident ambassador in Managua, was instrumental in introducing the Sandinistas to the Arab revolutionary states as a source of stability needed aid, according to Moises Hassan, a

former Nicaraguan junta member and the current construction minister.

On the eve of their second anniversary in power, the Sandinistas find themselves burdened with serious economic problems, fearful of military challenges from across neighboring borders and, according to sources here, troubled by disagreements within their collective government over the path their revolution should take.

With the Sandinistas, some Arab diplomats, and reportedly Mr. Castro see the relationship quite differently. Although the Sandinista leadership generally has a Socialist and Marxist orientation, a large segment recognizes the dangers of close Soviet ties.

A Third World diplomat familiar with both Cuba and Nicaragua recently speculated privately that "Fidel is watching very closely to see what happens with Nicaragua and the Arabs. He cannot be happy about his dependence on the Soviets and he cannot turn to the United States. But if the Arabs do it for Nicaragua then I have no doubt he would seek the same way out for himself."

For the moment, the Castro regime is receiving an estimated \$10 million a day from the Soviet Union. An Arab diplomat described the relationship with a Moroccan proverb: "The hand you can't bite, you kiss." But Nicaragua thus far has received very little direct Sovi-

et aid. A recent credit line from Moscow amounts to only \$50 million, according to diplomatic sources.

Foreign economic analysts estimate that Nicaragua will need as much as \$400 million next year, above and beyond the current aid it is receiving, just to keep the economy at its present subsistence level of activity.

Other nations have continued to support the Nicaraguan regime. Mexico, for example, has in effect contributed \$150 million to the economy this year through concessionary oil deals, according to foreign analysts. But the Arabs have the most money to spare and the advantage of what the Nicaraguans like to call "revolutionary solidarity."

Moises Hassan, who declined to comment on the specific arrangements between Nicaragua and the revolutionary Arab states, did attempt to explain their motivation in helping a small Central American nation thousands of miles away.

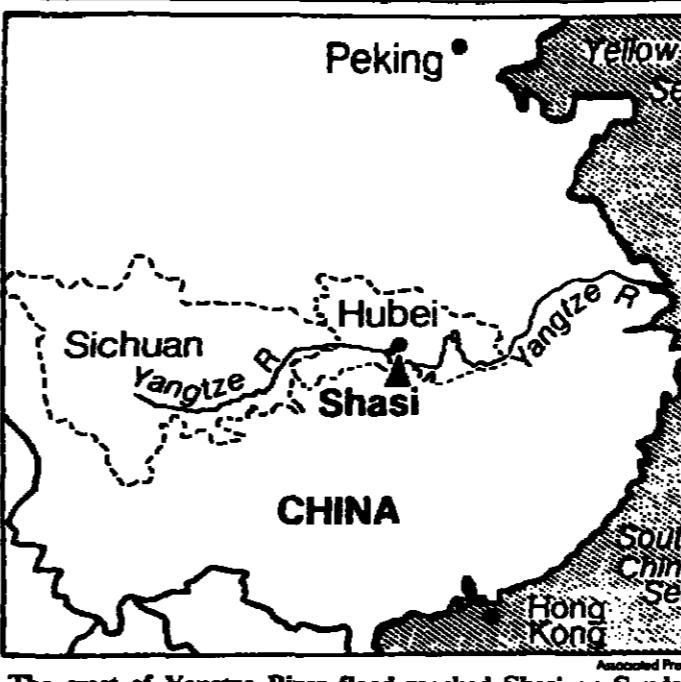
"There is a common interest among us," Mr. Hassan said Friday. "We all know how fragile we are, how fragile is our independence. Libya, Algeria, Nicaragua, the Palestinians have known what it is to be the subjects of foreign powers or their representatives."

"I think this is probably difficult for a country like the United States to understand because it has never suffered very much," he said. "It must be difficult for a normal American to comprehend how a country feels that for many years has seen itself as a subject."

"We know that we are a weak country economically and militarily," he said. "Independence is not yet completely achieved. We know that the major powers don't want to recognize that we are free."

The Reagan administration repeatedly has argued that Libya is a front for Soviet support of international terrorism, a charge that the Libyan leader, Muammar Qadhafi, denies. In any case, the argument does not seem to concern the Nicaraguans.

On June 20, the Sandinista leadership held a public celebration in Managua to mark the 11th anniversary of Col. Qadhafi's ouster of U.S. air bases from Libyan territory.



The crest of Yangtze River flood reached Shashi on Sunday.

## China Reports No Damage To Dam by Yangtze Flood

*The Associated Press*

**PEKING** — The crest of the Yangtze river's highest flood in more than 80 years passed China's largest dam project Sunday without any reported damage, after leaving from 3,000 to 4,000 persons dead in Sichuan province.

Officials in Sichuan, where massive downpours set off the flooding, concentrated on feeding, housing, and clothing 500,000 homeless. They said that rain fell again Saturday on China's most populous province of 100 million persons, but no new damage resulted.

An official at the Gezhouba dam in central China's Hubei province, reached by telephone from Peking, said the crest passed the dam before dawn Sunday. The water level rose to 61.62 meters (202 feet) above sea level, but had dropped to 61.20 meters by the afternoon, he said.

The Chinese news agency said that after the dam "passed its test," the crest reached the city of Shashi on Sunday afternoon. The agency said nearly 200,000 soldiers and people have been mobilized to guard the dikes along a 182-kilometer (113-mile) zigzag danger area of fertile rice and cotton fields.

Floods in Hubei province last summer killed 119 persons and 18,000 draft animals, destroyed houses totaling 260,000 rooms and devastated 200,000 hectares (494,000 acres) of farmland, the English-language newspaper China Daily said.

The United Nations has sought to aid the provinces of Hubei and Hebei, where a serious drought has finally ended after heavy rains. The Chinese news agency said the flow of 72,000 cubic meters a second at the dam site at the flood

exceeded the recent high of 66,800 cubic meters in 1954 and was roughly the same as that of 1896.

The \$2-billion dam at Yichang in Hubei province is being built to generate electricity and back up the river to a depth that will make its upper reaches safer for navigation.

Cofferdams of earth reinforced by steel piles and concrete protect the section still under construction. The news agency said the cofferdams have been raised to a height of 66 meters above sea level.

## Tanzanians Back Rejection of IMF

*The Associated Press*

**DAR ES SALAAM, Tanzania** — An estimated 30,000 people marched through the streets of the capital in the biggest demonstration yet in support of President Julius K. Nyerere's refusal to yield to demands of the International Monetary Fund.

The march on Saturday, the latest in a series, was led by the police band. At the end of the parade route, Mr. Nyerere told a rally that Tanzania will never abandon its policy of Socialism.

The demonstrations began 10 days ago after Mr. Nyerere demanded "outside institutions and countries" for trying to force Tanzania to devalue its currency by 50 percent, freeze wages, remove price controls, ease import restrictions and raise bank interest rates. Diplomatic sources said that the president was referring to recommendations made by the IMF.

## Iran-U.S. Assets Pact

### Reportedly Snagged

By Stuart Taylor Jr.  
*New York Times Service*

**WASHINGTON** — Disagreements between Iranian and U.S. negotiators meeting secretly in the Netherlands are likely to stall transfer by the United States of more than \$2 billion in once-frozen Iranian bank deposits and have aroused concern among American companies with claims against Iran.

The dispute includes Iran's demand that it receive the interest accruing on a special \$1-billion security account designed to cover possible awards against Iran by an international tribunal arbitrating American claims, according to a Washington lawyer who has followed the negotiations closely.

Treasury officials refused to comment on the nature of the disagreements with Iran. It was not clear on Friday how far the United States was willing to go toward meeting the Iranian demands or whether Iran would undermine the elaborate arbitration process laid out in the hostage agreements if it did not get its way.

#### \$2 Billion Held

Treasury Department officials disclosed Friday afternoon that the transfer of the \$2 billion, now held in the Federal Reserve Bank in New York, would "almost definitely not occur until Monday" at the earliest because negotiations concerning the security account "have not been finalized."

They said Iran had agreed to a day extension of the deadline for transfer of the funds, which former President Jimmy Carter had promised to complete by Sunday.

One official, who declined to be named, said he hoped agreement on the details of the \$1-billion security account could be completed and the \$2 billion transferred by Monday.

But John F. Olson, a Washington lawyer for several claimants, said he was "concerned that the negotiations may be stalled because the Iranians are insisting on several points that will create real problems for the United States and American claimants."

He said the United States should be in "no hurry" to transfer the funds and that it would be a "great mistake" to agree to Iran's demands.

#### Additional Security

Mr. Olson said that Iran had insisted that it receive the interest on the security account, which could exceed \$150 million a year and which American claimants want to be left in the account as additional security for awards.

Iran has also demanded that the \$1-billion account be reduced by the amount of any payments made in settlement of American claims,

rather than being reserved in its entirety, Mr. Olson said. He also said there was apparently a disagreement about who would pay the costs of administering the account.

The Dutch central bank would hold the \$1-billion account, with the Algerian central bank acting as agent, under a tentative July 10 agreement between the United States and the Netherlands.

In a related development, the Iranian defense minister has recently sent a letter to American contractors that his ministry was prepared to begin negotiating their claims. Lawyers representing some claimants reacted with skepticism to the letter.

"It looks like they're trying to create a facade of good faith until they get their money back," one lawyer said.

The \$2 billion now awaiting transfer from the Federal Reserve represents commercial Iranian bank deposits in the United States that were frozen by Mr. Carter in November, 1979, along with about \$8 billion in official Iranian deposits in the Federal Reserve and American bank branches in Europe and \$1 billion to \$2 billion in other Iranian assets.

#### Hostage Deposits

The Jan. 19 hostage agreements provided that the commercial deposits in the United States would be collected and transferred out of the country within six months. About \$1 billion was to be held in the security account and the rest was to be returned to Iran. The official deposits were also to be returned to Iran.

The agreements oblige Iran to replenish the security account as awards are paid, to the extent necessary to keep the minimum balance at \$500 million. But they do not say how the interest on the account is to be disposed of or whether the account can be used to pay settlements as well as arbitration.

Lawyers for American companies estimate the total amount of the claims against Iran at \$2 billion to \$4 billion and say they do not trust Iran to replenish the security account or settle claims on a reasonable basis, and want the interest to remain in the security account as a "small measure of protection."

#### 34 Drown in Thailand

*The Associated Press*

**BANGKOK** — Thirty-four persons on their way to a religious ceremony drowned Friday when their bus ran off a road and plunged into a reservoir in northeastern Thailand, authorities reported.

## Reagan's Efforts to Revitalize the CIA Complicated by the Casey-Hugel Probe

By Judith Miller  
*New York Times Service*

**WASHINGTON** — Resignation of the CIA's chief of clandestine operations and a Senate committee's review of Director William J. Casey's financial transactions threaten to set back the Reagan administration's effort to restore the morale and effectiveness of the agency.

Senate Republicans and Democrats agreed Saturday that it is unlikely Mr. Casey will be asked to resign unless the Senate Select Committee on Intelligence should develop additional damaging information.

Administration officials, however, expressed concern over whether the developments, including the resignation of Max C. Hugel, director of CIA covert operations, might undermine the confidence of foreign governments in the competence and professionalism of the U.S. intelligence community. Intelligence officials expressed concern that the Hugel-Casey affair would unsettle the CIA, which has been trying to return to stability after a decade of crisis and turmoil.

The Senate panel Friday ordered its staff to review allegations of financial impropriety against Mr. Casey. Chairman Barry M. Goldwater, an Arizona Republican, said after a closed committee meeting that the inquiry would focus on Mr. Casey's financial dealings, specifically on what he called "the Louisiana transactions." A court ruling said Mr. Casey helped to drive Multipolins, an agribusiness firm that went bankrupt in 1971, "deeper and deeper into debt," and another ruling said he knowingly misled investors.

Other committee members said the review also would focus on security procedures at the CIA, and on the relationship between Mr. Casey and Mr. Hugel, a Reagan campaign official with little experience in intelligence who resigned Tuesday in the aftermath of allegations printed in The Washington Post that he had participated in fraudulent securities transactions in the 1970s. He has denied the allegations.

Administration and congressional officials cite these possible sources of the episode:

• The Reagan administration's effort to win support for greater flexibility for the agency, its exemption from reporting and disclosure policies and greater protection for its officials could be complicated.

• Questions are likely to be raised about Mr. Casey's judgment on issues both of personnel and substance, and about what one intelligence official called his overly

romantic view of the agency and nostalgia for a bygone era.

• Tensions are likely to rise between the Senate committee and the agency over evaluations of the quality of CIA analyses and the timeliness of agency reporting.

At his confirmation hearings, Mr. Casey asked Congress to remove restraints, increase funding and help him reverse what he had called the agency's institutional self-doubt. Adm. Bobby R. Inman, the deputy director, expressed concern Friday at a closed committee hearing that the present controversy might delay action on such issues as granting the agency an exemption from the Freedom of Information Act.

It is essential, Adm. Inman authorized committee officials to say, that the senators trust the CIA and now wanted Mr. Casey removed as well.

In addition, Mr. Casey's status is complicated by the committee's overwhelming support for Adm. Inman, the deputy whom Sen. Goldwater almost insisted that Mr. Casey hire. Adm. Inman, former director of the National Security Agency, would be a popular successor.

which were the result of dealings with the Foundation Life Insurance Co. in Chatham, N.J., of which Mr. McCann is the president.

A congressional study said the commissions made by Mr. Oster were "unconscionable." Some of these commissions were on insurance premiums paid to Mr. McCann's company.

Mr. McCann said in a telephone interview, "There was not anything improper." Mr. Oster, as a consultant to the union plan and to the Modern Agency, Mr. McCann also challenged the congressional subcommittee's finding that the insurance commissions were too high. "There was no unusual commission paid," he said. "It is set and established."

This was the case, Mr. McCann said, because the insurance policies sold were so-called whole life instead of term policies. While premiums are higher on whole life, that kind of policy has the advantage of accumulating value while the term policy does not.

Members of the subcommittee, including Sen. Charles H. Percy, a Republican from Illinois, have disagreed with that assessment. At the time of the hearing, Sen. Percy said: "Literally what this Oster plan does is blatantly strip a group of the privilege of being a group entitled to low insurance rates."

Sen. Percy is chairman of the Foreign Relations Committee and will play a major role in deciding on Mr. McCann's nomination. An aide said Sen. Percy would not comment until the nomination was formally submitted.

#### No Diplomatic Experience

Mr. McCann has no diplomatic experience but that is not unusual for the Dublin post, which is one of those that ordinarily go to a diplomatic appointee rather than a career Foreign Service officer. His link to the administration was as a fund-raiser for the Reagan campaign.

According to an investigation by the Senate Government Affairs Permanent Subcommittee on Investigations, premiums totaling \$315,661 were paid from Nov. 1, 1972, to Sept. 30, 1973, to Foundation Life Insurance on behalf of members of Local 272 of the International Association of Bridge, Structural and Ornamental Iron Workers in Miami.

Of the \$315,661 in premiums, the investigation found \$312,280 was turned over to Modern Agency, an insurance company, as a commission. Modern Agency was described as "a New York City-based insurance agency wholly owned by Mrs. Dina Gelman, Oster's sister."

Another reported finding was

that an official of Foundation Life Insurance had told the subcommittee's investigators that Mr. Oster owned 100,000 shares of the company's 3.5 million outstanding shares. This was disputed by Mr. McCann, who said, "Oster was never associated with Foundation Life."

#### Portuguese Bill To Denationalize Vetoed by Panel

*Reuters*

**LISBON** — The military council empowered to watch over national affairs in Portugal has vetoed a parliamentary bill aimed at handing huge nationalized sectors back to private enterprise.

The veto on Saturday by the nonelected Council of the Revolution provoked immediate expressions of anger from supporters of the center-right government, which had contended that the measure was essential for the country's economic revival.

The watchdog body, chaired by President Antonio Ramalho Eanes, said the proposal to allow the return of privately owned banks and insurance companies was unconstitutional.

A council statement said the bill would have enabled private business to recreate the type of economic system that supported the rightist dictatorship overthrown by the armed forces in the 1974 revolution.

Portuguese banks and insurance companies were nationalized in 1975 along with key heavy industries in a move that broke what then was the grip of a handful of business groups on most of the economy.

President Fernando Belaunza

Terry, who took office last July 28, ending 12 years of military rule, is faced with a \$1-billion deficit and rapidly declining prices of major exports, especially silver and other minerals. The nation's monetary reserves have decreased by \$300 million this year, officials said.

Manuel Ullas, minister of economic and finance, announced Saturday an effort at reducing public spending to save \$100 million during the next year. "It's a very tough move," Mr. Ullas said. He has asked all government ministers and the directors of all public sectors to begin trimming their budgets.

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## IBERIA'S TIPS ON FLYING

## By-Election Marks Emergence Of New-Style Party in Britain

By R.W. Apple Jr.  
New York Times Service

LONDON — The Social Democratic Party, barely four months old, came within an ace Thursday night of winning a by-election in a constituency where the Labor Party has reigned since World War II.

After years of speculation about a realignment of British politics, some politicians now say it might lie just ahead.

The election in Warrington seems to have marked the emergence of a new-style party, commanding broad support without a class or geographical base, dependent upon neither the trade unions nor the landed gentry, positioned squarely in the center and capable of damping the wild oscillations from left to right that have marked the postwar era.

Roy Jenkins, a former minister in Labor governments, astounded himself and everyone else by taking 42 percent of the vote at Warrington.

### U.K. Anti-Riot Response Assailed by Labor Aide

Reuters

DORCHESTER, England — Ron Hayward, the general secretary of the opposition Labor Party, Sunday condemned the government for responding to 12 nights of street violence in British cities by promising tough new anti-riot equipment.

"We do not believe that the use of water cannon, CS gas or rubber bullets will help the police to help us," he told a trade union rally in the village of Tolyddon near this southwestern town.

### Albanian Exiles Deny Shootings

Reuters

BRUSSELS — Exiled Albanian nationalists seeking autonomy for the Yugoslav province of Kosovo have denied responsibility for a gun attack on Yugoslav diplomats here.

Ydriz Basha i Novosejk, secretary-general of the Union of Albanian Nationalists, told a press conference Friday that the group had renounced violent action in its fight to win more self-rule for the southern Yugoslav region. A Yugoslav diplomat and an embassy employee were wounded in last Tuesday's shooting.

#### Kosovo Leader Resigns

BELGRADE (AP) — Dzavid Nikan, president of Kosovo province where at least nine persons died in riots earlier this year, has resigned, the Yugoslav news agency Tanjug reported Friday. No reason was given for the action.

#### NEWS FROM MIFED

Milan, June 16, 1981.

MIFED — International Film, TV Film and Documentary Market has just announced that 44th Session will take place from October 10 to 30, scheduled as follows: MIFED INDIAN SUMMER (October 19-25); MIFED EAST-WEST FILM MARKET (October 25-30); MIFED TRADITIONAL (October 25-30).

MIFED — which is recognized by the trade as the most important rendezvous in the Fall for television executives — next October will be attended not only by foreign buyers and by RAI-TV buyers, responsible for the three channels of the Italian State Television, but also by the many buyers of the major Italian private stations.

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INTERNATIONAL  
**Herald Tribune**

Published with The New York Times and The Washington Post

Most political commentators had agreed before the voting that because of its working-class character, Warrington would understate the Social Democrats.

#### NEWS ANALYSIS

strength in the average English constituency by about 5 percent. By that reckoning, the new party and its Liberal allies would poll 47 percent of the vote and gain 500 seats, an overwhelming majority of the 635-seat House of Commons, in a general election.

#### Flakie Indicators

That seems highly improbable, and by-elections are notoriously fickle indicators. But politicians of all parties agreed that Warrington had established the Social Democrats as a major political force.

"The result means that, at a minimum, we will hold the balance of power in the next Parliament, to battle."

#### No Arid Theorist

"Never again will they be able to say that the only thing he is capable of fighting for is a table in a good restaurant," commented The Daily Mail, normally a supporter of Prime Minister Margaret Thatcher. "He showed that he was an arid theorist but a warm-blooded idealist who cared enough about his new party to take a huge risk."

Labor had expected Mr. Jenkins to do relatively well, but its candidate, Douglas Hoyle, had predicted that most of the Social Democrats' votes would come from disgruntled Conservatives. That did not prove to be the case. Thousands of Labor voters crossed over to support Mr. Jenkins, with Mr. Hoyle able to poll only 48.4 percent compared to the 61.7 percent amassed by Sir Thomas Williams, the retiring MP, in the general election of 1979.

Normally in a by-election held against the backdrop of record unemployment, approaching 3 million, the Labor Party, as the official opposition, would have expected to gain votes. Its failure even to hold its own was interpreted by political commentators as a sign of grave weakness.

If the Cabinet adopts such repressive policies, it would mean supporting the police, possibly backed up by troops and new legislation for openly partisan political purposes," Mr. Benn said.

#### No Rioting Reported

Scotland Yard, meanwhile, reported no new rioting or urban violence during the weekend.

Special detachments were on standby as a precaution in some of the cities where youths have noted during the last two weeks, police officials said.

Mr. Hayward said the Labor Party deplored violence but he added: "It is dangerous, deluding nonsense to suggest that a hard-line police response, backed by stiff court sentences, will solve the problems that are causing our cities to erupt."

A police investigating team Sunday finished taking statements from black residents in Brixton. The residents have accused the police of causing extensive damage last Wednesday during a raid on shops and houses in search of gasoline bombs and looted goods.

The police inquiry into the raid, which was criticized by politicians and the press, was ordered by Home Secretary William Whitelaw.

Monday the team, led by Geoffrey Dear, London's deputy assistant police commissioner, will start interviewing officers who took part in the raid.

#### Canada Postal Strike Enters Fourth Week

United Press International

OTTAWA — A strike by postal workers enters its fourth week Monday with some businessmen claiming losses of up to 10 million Canadian dollars (\$8.5 million) a day as a direct result of the strike.

The Canadian Union of Postal Workers, without a contract since Dec. 31, struck June 29 to press demands, including a 17-week paid maternity leave and improved health and safety conditions. The government has rejected the demands, saying such a settlement would result in a 28-percent wage increase. The two sides are continuing negotiations through a mediator.

After studies in Budapest's Ferenc Liszt Academy of Music, Mr. Udvardy made his debut at the Budapest Opera in 1939. His range extended from lyrical to heroic tenor roles.

Fernando Berckemeyer

LIMA (WP) — Fernando Berckemeyer, 76, the ambassador of Peru to the United States from 1949 to 1963 and from 1968 to 1975, died Friday. He had a respiratory ailment. Mr. Berckemeyer also was minister to Sweden from 1946 to 1948 and ambassador to Britain from 1947 to 1948.

Jose Maria Peman Pemartin

CADIZ, Spain (Reuters) — Jose Maria Peman Pemartin, 84, the poet, novelist and playwright, died Sunday, his family said. He produced 15 books of poetry, 26 novels or collections of essays and more than 60 plays.

Judge Jones rescheduled the trial in September. The defendants were accused of conspiring from July 1980 to November 1980, to set off explosives at a petroleum storage facility, a shopping mall and several unspecified locations in downtown Greensboro.

Mistrial Declared In U.S. Nazi Case

United Press International

ASHEVILLE, N.C. — A mistrial was declared after a federal jury failed to reach a verdict in the case of six American Nazis accused of plotting a terrorist bombing attack on the city of Greensboro, N.C.

The jury reported Saturday that it was deadlocked, and U.S. District Judge Woodrow Jones sent the panel back for another try. But the jury again reported that it had been unable to reach a decision, and the mistrial was declared.

Judge Jones rescheduled the trial in September. The defendants were accused of conspiring from July 1980 to November 1980, to set off explosives at a petroleum storage facility, a shopping mall and several unspecified locations in downtown Greensboro.

Reagan Reportedly Decides Trade Policy

(Continued from Page 1)

House was increasingly moving toward practical decisions instead of posturing in foreign policy. Others expressed great unhappiness about what they saw as a severe problem of logic and politics, that is, asking the American people to go along with sharp increases in military spending to hold back the Soviet Union yet not taking an equally tough position on the economic matters.

Until the middle of last week, when Mr. Reagan made his decision, he was prepared to go far to keep his options open while others were trying to close them. On July



Roy Jenkins, standard-bearer for Britain's Social Democrats in their first election sally, was pensive as he heard the results of last week's by-election in Warrington, which he narrowly lost.

## AFL-CIO to Stage March Over Cuts in U.S. Budget

By Harry Bernstein

Los Angeles Times Service

WASHINGTON — Breaking with tradition, the AFL-CIO is planning a massive street demonstration in Washington to protest cuts in the federal budget, union leaders have said.

The labor federation has called on its members to take to the streets Sept. 19 to show their displeasure with the Reagan administration's domestic policies, which some union leaders have characterized as "turning back the clock on 50 years of social progress."

The planned march, which AFL-CIO officials hope will attract tens of thousands of protesters from hundreds of unions and other groups, is a major departure from the organization's policy of avoiding large street demonstrations. When civil rights groups, composed mostly of blacks, sponsored a march on Washington in 1963, the labor federation refused to join.

George Meany, former president of the AFL-CIO, believed that mass marches, such as the 1963 march that drew more than 200,000 protesters, were too radical and thus, ineffective. And because Mr. Meany supported the war in Vietnam, the AFL-CIO scorned mass protests against it.

But his successor, Lane T. Kirkland, has called the leaders of all 102 unions affiliated with the AFL-CIO to an Aug. 6 meeting in Chicago to discuss plans for the Washington demonstration.

Most unions are bitterly opposed to the deep cuts the administration has asked Congress to make in such social programs as unemployment assistance, public sector jobs and food stamps.

While Mr. Reagan has said that he wants continuing discussions with organized labor, Mr. Donahue said that the only time that union leaders are able to talk to an administration official is when the union officials invite Reagan aides for lunch.

After studies in Budapest's Ferenc Liszt Academy of Music, Mr. Udvardy made his debut at the Budapest Opera in 1939. His range extended from lyrical to heroic tenor roles.

Fernando Berckemeyer

LIMA (WP) — Fernando Berckemeyer, 76, the ambassador of Peru to the United States from 1949 to 1963 and from 1968 to 1975, died Friday. He had a respiratory ailment. Mr. Berckemeyer also was minister to Sweden from 1946 to 1948 and ambassador to Britain from 1947 to 1948.

Jose Maria Peman Pemartin

CADIZ, Spain (Reuters) — Jose Maria Peman Pemartin, 84, the poet, novelist and playwright, died Sunday, his family said. He produced 15 books of poetry, 26 novels or collections of essays and more than 60 plays.

Judge Jones rescheduled the trial in September. The defendants were accused of conspiring from July 1980 to November 1980, to set off explosives at a petroleum storage facility, a shopping mall and several unspecified locations in downtown Greensboro.

Mistrial Declared In U.S. Nazi Case

United Press International

ASHEVILLE, N.C. — A mistrial was declared after a federal jury failed to reach a verdict in the case of six American Nazis accused of plotting a terrorist bombing attack on the city of Greensboro, N.C.

The jury reported Saturday that it was deadlocked, and U.S. District Judge Woodrow Jones sent the panel back for another try. But the jury again reported that it had been unable to reach a decision, and the mistrial was declared.

Judge Jones rescheduled the trial in September. The defendants were accused of conspiring from July 1980 to November 1980, to set off explosives at a petroleum storage facility, a shopping mall and several unspecified locations in downtown Greensboro.

Reagan Reportedly Decides Trade Policy

(Continued from Page 1)

House was increasingly moving toward practical decisions instead of posturing in foreign policy. Others expressed great unhappiness about what they saw as a severe problem of logic and politics, that is, asking the American people to go along with sharp increases in military spending to hold back the Soviet Union yet not taking an equally tough position on the economic matters.

Until the middle of last week, when Mr. Reagan made his decision, he was prepared to go far to keep his options open while others were trying to close them. On July

## French Decentralization Plan Is a Radical Transfer of Power

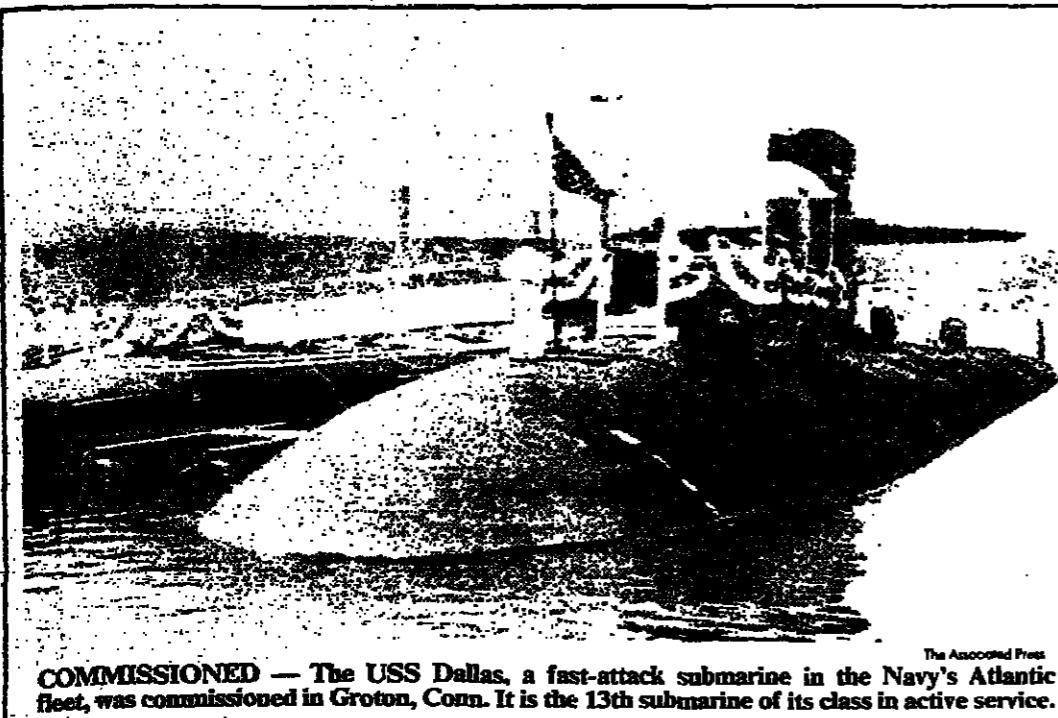
By Frank J. Prial

New York Times Service

PARIS — France's new Socialist government has approved what may be the most radical of all its proposed reforms, the decentralization of the national government. The measure, called "The Rights and Liberties of the Communities, Departments and Regions," was described by Prime Minister Pierre Mauroy as "the most important affair of our seven-year term."

"We must rid ourselves of what remains of Napoleon's 'ancien régime,'" Mr. Mauroy said recently. "The men of the châteaux are gone now," he said, referring to the defeated government of Valéry Giscard d'Estaing. "We must accomplish the historic task of creating a republic of citizens."

The decentralization program, which is sure to be passed by the



COMMISSIONED — The USS Dallas, a fast-attack submarine in the Navy's Atlantic fleet, was commissioned in Groton, Conn. It is the 13th submarine of its class in active service.

## China Prevents UN Talks on Cambodia From Barring Possible Return of Pol Pot

By Bernard D. Nossiter  
New York Times Service

UNITED NATIONS, N.Y. — China has succeeded in blocking a United Nations conference on Cambodia from placing obstacles in the way of a possible return to power by the deposed Pol Pot faction.

A gathering of 92 nations on Friday ended its weeklong deliberations here with a declaration acknowledging that the Pol Pot group and other insurgent factions can keep their arms. The document implicitly permits the return of the Pol Pot group to administer Phnom Penh if and when UN-supervised elections are held there.

The conference, however, had a marked air of unreality. It was designed to open the way for negotiations on withdrawal of the 200,000 Vietnamese troops who now occupy Cambodia and on free elections. But neither Vietnam, whose soldiers deposed Pol Pot in 1979, nor its ally, the Soviet Union, attended. They called the meeting illegal and one-sided.

The only practical result of the conference appears to be the creation of a committee of seven nations charged with "maintaining contact with the parties to the conflict." The hope is that they will draw Vietnam into talks.

### 2 Killed on Mont Blanc

ASTORIA, Italy — Two Dutch Alpinists fell to their deaths Saturday while scaling the Zinalrothorn peak of Mont Blanc, the police reported.

## Italy Names 5 New Chiefs In Military

ROME — The government has appointed five new armed forces chiefs in an unprecedented peacetime reshuffle.

Gen. Vittorio Santini, commander of NATO ground forces in southern Europe, was named chief of the defense staff on Saturday. He replaces Adm. Giovanni Torrisi, who resigned 10 days previously because of the scandal over the P-2 secret Masonic lodge.

New chiefs of staff of the army, navy, Carabinieri and customs police were also named Saturday.

The former head of the customs force, a paramilitary body, also resigned after the Masonic scandal. The heads of the army and navy had both reached retirement age.

Defense Minister Lelio Lagorio, referring last week to the impending reshuffle, said that the new military chiefs would be men of "a high degree of professionalism, a spodess background, and who can guarantee their loyalty to the re-

group, the Son Sann forces are engaged more in smuggling than fighting in the Vietnamese."

Instead of Singapore's call for a neutral administrator during elections, the final document merely urges "appropriate measures for the maintenance of law and order." That could let an armed Pol Pot group be present in the capital during the vote.

### Appropriate Measures'

Singapore and the other Southeast Asian nations at the conference had hoped to extend an olive branch to Hanoi by inviting Heng Samrin, the titular Cambodian president installed by Vietnam. China stopped that, too, asserting that Heng Samrin has no standing.

China maintains that the Pol Pot group, which sits in Cambodia's seat in the United Nations, is the victim of Vietnam's aggression and that it is the legitimate government of Cambodia.

Finally, the Singapore group urged a specific offer of aid to Vietnam if it pulled out its troops. But again China won the drafting battle, and the declaration calls only for aid to "all states of the region," without mentioning Vietnam.

China's drafting victory resulted from two factors. The nations here were determined that any document must win unanimous approval and that no division should be shown to Hanoi. In addition, there was a widespread feeling that the document should emphasize principles and not be too concerned with details. Both China and Singapore say their principles were upheld.

This would give the Pol Pot faction, led by Singapore, a head start in the drafting battle, and the declaration calls only for aid to "all states of the region," without mentioning Vietnam.

The seven nations on the committee that will seek to engage Vietnam in talks are Thailand, Malaysia, Japan, Sri Lanka, Nigeria, Senegal and Sudan. More may be added later.

According to the Pol Pot

## U.S. Urges Pregnant Women Not to Drink

### Abstinence Advised Because of Uncertainty on Birth Effects

By Joel Greenberg  
New York Times Service

WASHINGTON — Pregnant women should drink absolutely no alcohol, the surgeon general has officially advised doctors in the United States.

Previous warnings have stopped short of advocating abstinence. But public health officials now say they know too little about the effects of even small amounts of alcohol to condone the use of even one ounce of alcohol during pregnancy.

The advisory, issued in the July issue of the Food and Drug Administration's Drug Bulletin, comes in response to an exhaustive review of scientific research during the last decade into the effects of alcohol consumption on pregnancy, according to John DeLuca, director of the National Institute on Alcohol Abuse and Alcoholism.

The review was forwarded to the president and the Congress last November. It was compiled by the institute along with the Food and Drug Administration and the Bureau of Alcohol, Tobacco and Firearms.

### Uncertainty

Several studies published in the last five years indicate that pregnant women who drink as little as one ounce of alcohol a day tend to have children with low birth weights, and women who drink just one ounce of alcohol twice a week show an increased incidence in spontaneous abortion.

While scientists have been relatively certain for years that excessive drinking — at least 3 to 4 ounces of alcohol a day — can contribute to birth defects in newborn babies, they have been unsure about the effects of light drinking.

And although the latest findings suggest that any alcohol consumption can affect unborn babies, researchers say they are still uncertain about the extent of the effects.

"It's really quite simple: We don't know a safe level," said Mr. DeLuca, who conducted the study for the institute. "I can't say that one drink is safe and one and a half is not."

Mr. DeLuca said he was not telling pregnant women that because they might have had a few drinks, their babies would be damaged. "I would tell pregnant women to relax and have a healthy baby," he said. "But I would recommend that they stop drinking."

But the warning was criticized as "overkill" by Dr. Morris Chafetz, the founding director of the National Institute on Alcohol Abuse and Alcoholism from 1970 to 1975. Dr. Chafetz said that the studies reviewed for the institute's report "leave a great deal to be desired."

### Other Factors Cited

Many of the studies surveyed mothers and babies after, but not before and during, pregnancy, he said. Therefore, it was not possible to tell whether small doses of alcohol —

rather than tobacco, stress, poor nutrition or other factors — were primarily responsible for the low birth weights and spontaneous abortions.

"For the surgeon general to take that kind of data and make such sweeping implications is wrong," said Dr. Chafetz, who is now president of the nonprofit Health Education Foundation in Washington.

The current surgeon general's advisory urges total avoidance not only by women who are pregnant, but also by those who are planning to be.

"We reviewed all the science in the area essentially since the beginning — beyond the last 10 years," Mr. DeLuca said. "Our recommendation was based primarily on the link between excessive consumption and birth defects."

Excessive drinking has been reported to trigger a wide but definable range of birth problems known as fetal alcohol syndrome. Defects associated with the syndrome can include one or more of the following: mental retardation, central nervous system disorders, growth deficiencies, certain facial abnormalities and other malformations, cardiac and other organic problems.

The reported effects of alcohol occur independently of those caused by smoking and poor diet, according to the advisory. "In addition, it has been readily demonstrated that alcohol readily enters the breast milk and thus is transmitted to the nursing infant," the advisory states.

## Black Pilot Defector Poses Problem for South Africa

By Jack Foisie  
Los Angeles Times Service

HOEDSPRUIT, South Africa —

Lt. Adriano F. Bomba, a 23-year-old Mozambican fighter pilot who defected to South Africa earlier this month, is causing the South African government a large headache.

He wants to settle in South Africa — to resume his interrupted education, he said. But Lt. Bomba is black, and the fact that he speaks four languages and can fly MiG jet fighters does not qualify him for residence in South Africa, nor to enter into the South African Air Force under present law.

There are few enlisted blacks in the air force, and none who are officers.

Under South African segregationist policy, Adriano Bomba is a "foreign black" and eligible to be in the country only as a contract laborer from a "tribal homeland" to which he must return after his labor is completed.

Asked if he had not foreseen that problem, Lt. Bomba replied obliquely: "After my country's propaganda, I was surprised to see how blacks and whites interact." But he added that by being restricted to this air base since he landed a Soviet-built MiG-17 here on July 8, "I have not yet been fully enlightened" about racial conditions generally.

With three years of jet training

in the Soviet Union, Lt. Bomba represents an unusual source of military intelligence. As one of only 22 fighter pilots in the Mozambique Air Force, he is also providing technical information about Mozambique aerial defenses and what the Soviet Union and other

### Sindona Accused In Milan Murder

Reuters

MILAN — Italian magistrates have issued arrest warrants against financier Michele Sindona, who is in jail in the United States, and William J. Arico, an Italian-American, for the murder of a prominent Milan lawyer in 1979.

Officials said Friday the warrants accuse Mr. Sindona of instigating the murder of Giorgio Ambrosoli, and Mr. Arico of being one of his killers. Mr. Ambrosoli was the liquidator of Mr. Sindona's Banca Privata Italiana, closed by the government in 1974 after the collapse of Mr. Sindona's financial empire.

Mr. Ambrosoli was shot and killed outside his Milan home one hour after testifying on the Sindona affair before U.S. investigators. Mr. Sindona is serving 25 years in the United States in connection with the failure of his Franklin National Bank.

The order caused Lt. Bomba to miss his final year of high school, and put him in the air force instead.

When he decided to flee, he considered South Africa as his only haven, despite its racist policies. To fly to neighboring black-ruled countries, all friendly to President Machel, would have led to his being returned to Mozambique for punishment, he believes.

Hearing by radio that Lt. Bomba had defected, his brother Bonaventure and his wife and son, who were in the small black state of Swaziland at the time, also fled to South Africa. Their request for asylum is also being considered. Brig. van der Linh disclosed. Bonaventure is a musician. The Bomba's parents and six sisters remain in Mozambique. Their fate unknown.

### India Said to Refuse U.S. Offer of F-16s

Reuters

NEW DELHI — India some time ago declined a U.S. offer to supply older, less powerful models of the F-16 fighter plane. The Press Trust of India reported Sunday from Defense Ministry sources.

The United States recently decided to sell F-16s to Pakistan and came under attack from the Indian government.

# Is there a hole in our argument?



The ability to continually stimulate fresh impetus nearly always presupposes natural enthusiasm, mental agility and physical fitness. And people who possess these attributes to an exceptional degree very often share a fundamentally competitive attitude to life: both in their professional and leisure activities. A company isn't so very different. If it is involved in competition — as BMW is in motor sport — it is fit, enthusiastic and more capable. In short, it is more successful.

However, the moving spirit of the company, its virtues and attitudes, its healthy approach to competition, together with the ability to generate genuine enthusiasm, influence more than just the character of our products. To us, a competitive spirit also means having more courage to pursue original and unusual ideas, to tread new paths. And, above all, the ability to answer new problems with new solutions faster and with greater flexibility.

This becomes particularly evident in times of economic difficulties. On the one hand, there are the pessimists who continuously emphasize only the difficulties with increasingly strident rhetoric. And on the other, there are those people for whom problems represent nothing more than a new challenge to work with even greater dedication and to search for new solutions and approaches even more intensively. Because they appreciate that, in spite of hostile circumstances, success can always be achieved through greater vigour and new, innovative ideas.

That is why we feel that the competitive element, which is a constant factor in the BMW character, is not only completely compatible with a name that is synonymous with the world's finest cars. But is also an essential prerequisite for us to remain where we are now — at the top.

If more and more demanding drivers vote in favour of our idea of motoring excellence, it must surely be because they discover that a BMW reflects their own attitudes and character most accurately. In other words, the qualities to which they — and we — owe success.



BMW AG, Munich

## More Blind Violence

When the cycle of death subsides again in the Middle East, there will still be an Israel and there will still be a Palestinian problem. The Palestine Liberation Organization will still get blood money from Arab states and arms from the Soviet bloc. Israel will still get F-16s from the United States.

Violence that can alter political realities can at least be said to have a political purpose. Violence that alters nothing is a desperate confession of political bankruptcy.

The Palestinians rain terror on Israel without a plausible political program. If it's a haven in Lebanon for which they die, they surely know that Israel will not tolerate it as a sanctuary for military action. If it's the West Bank for which they struggle, this is hardly the way to demonstrate a desire to live peacefully beside Israel.

But Israel's massive retaliations serve no saner purpose. As long as Prime Minister Menachem Begin's only answer to Palestinian nationalism is the absorption of a million

Palestinians into a Greater Israel, he makes martyrs of fanatics and a goat of Egypt's President Anwar Sadat.

Begin's historic assignment is not the slaying of a hundred Arabs for every Israeli casualty. The Arab world well knows of his superior, American-sponsored firepower. Israel's duty now is to translate military strength into a diplomacy that gives true promise of disarming its enemies.

And what could be more bankrupt than the on-again off-again F-16 signals from Washington? Delaying a few planes will never still Israeli guns in mid-battle. Nor will it prove evenhandedness to Arabs. There are clearer ways to register discontent with Begin's policies and America's determination not to follow him down a blind alley.

Israel exists. Palestinian nationalism is real and the West Bank remains negotiable. That is the tripod for an American policy that the Reagan administration had better erect soon.

THE NEW YORK TIMES

## An Alliance of Skeptics

Having won over most of the domestic opposition, Ronald Reagan now takes his economic magic show before the allies, at his first industrial summit in Ottawa.

The European, Canadian and Japanese leaders can be dismissed as bad sports, weeping for a weaker dollar just as they used to shout for a strong one. But while the allies do not vote in American elections, they belong to Reagan's constituency. The American economy still dominates the West to such an extent that any storm in the United States produces tidal waves of discontent across both oceans. A decent foreign policy requires that Reagan's colleagues be not only humored, but that they be convinced that the president knows what, economically speaking, he's about.

And the allies are skeptical. They doubt that Reagan's approach will soon produce vigorous growth, moderate inflation and a balanced budget. They fear that their own economies will be further damaged while the president learns a painful lesson.

In fact, the politicians in Bonn and Paris only echo the skepticism that can be heard in Wall Street. Like Americans, they are impressed so far only by the bold cuts in federal spending for civilian programs. On that front, Reagan has produced something of a revolution, forcing Congress to curtail expenditures that only a year ago appeared politically sacrosanct. But these savings will be substantially offset by higher military spending, which accounts for the fear that his simultaneous tax cuts will only perpetuate high inflation.

Indeed, the president himself has virtually abandoned the rationale he once offered for large tax cuts: a bold "supply-side" stimulus for savings and investment. What now impends is a fat and floppy Christmas tree of tax reductions that will surely enlarge the federal deficit, stimulate consumption and leave inflation untamed.

It is this confused fiscal strategy that leaves the Federal Reserve Board with an essentially impossible task, as its chairman, Paul Volcker, has begun to complain. He is left to battle alone against inflation by tightening the money supply without provoking a lengthy recession. It would be quite a trick.

The Fed's lonely battle against inflation

has already driven interest rates so high that its own economists are surprised. And these high U.S. rates leave Europeans in a no-win situation.

If they set their own rates higher to compete, they cause a further slowdown in their economies. If they stick with lower interest rates, the deterioration of their currencies in world markets produces more inflation at home.

Similar dilemmas haunt the policy inside the United States. While Reagan tries to encourage investment by reducing taxes, the Fed's high interest rates will only discourage investment. And while high interest rates may help to hold down some prices as economic activity slows, they also add pressure to prices by raising the cost of doing business, both public and private.

In a more rational world and with different advisers, Reagan would have used his political power to pursue a more coherent strategy. What the United States needs to defeat inflation and to raise productivity is tighter controls on the budget and a looser rein on the money supply, not the reverse. That way, the economic restraint that's needed to squeeze out inflation would fall more evenly over industry, and interest rates would be less of an impediment to new investment. And tax cuts should have been used to induce restraint on wages and prices.

But Reagan has brushed aside this fundamental criticism. His advisers predict better times within a year. As he will be told in Ottawa this week, not only Americans will suffer if they are wrong.

THE NEW YORK TIMES

## As Goes La Prensa . . .

It is not easy to tell whether Nicaragua, in Sandinista hands, will go the Cuban way, which is not so different in many respects from the Somoza way, or whether it will find its path to a respectable and enduring pluralism. The different tendencies are there.

It is possible to say, however, what the key indicators are. Do institutions independent of Sandinista control exist, and do they have a reasonable chance of hanging on? The private sector of the economy is one, the church is another and the press is a third. That is the context in which to assess the Managua regime's suspension of *La Prensa* for two days a week ago.

For decades *La Prensa* has been the leading newspaper in Nicaragua. It was the assassination of its publisher in 1978 that became the catalyst of the revolution against Somoza family rule. Since the revolution, it has remained far and away the most popular paper in Managua, and the most critical. The particular source of trouble this time apparently was the reporting by the paper on government destruction of billboards bearing religious themes, official efforts to keep a critical radio station off the air, and the roughing up of a journalist, among other things.

THE WASHINGTON POST

Unquestionably *La Prensa* is a thorn in the regime's side. Particularly is this so at a time when the economy is in desperate straits and sinking — rice and beans have to be imported from, of all places, war-torn El Salvador — and when respected observers like the Miami Herald's Shirley Christian can write that "majority of Nicaraguans are disillusioned today with the young men they swept into power, and would vote against them if given the chance." A strong Marxist element in the leadership holds that, to the extent that any of the country's still-independent institutions decline to be supine, they should be intimidated or otherwise controlled. (The People's Revolutionary Government of Grenada, by the way, has just shown the way: It has simply banned the press for a year.)

At the same time, *La Prensa* is the most conspicuous adornment of the regime, the badge of its continuing openness and its pluralist potential. Nothing would more loudly signal a decision by the Sandinista directorate to force Nicaragua down the Havana road than the muzzling of *La Prensa*. Was the suspension a test of whether the Sandinistas might get away with it?

THE WASHINGTON POST

## International Opinion

### After the Bombing of Beirut

Mr. Begin clearly believes that nothing he does will ever upset the United States to the point where it will cease to supply his country with arms. Surely it is time that some American president summoned the courage

to say, "Enough is enough"? Fear of American reaction is the only effective restraint on Mr. Begin's belligerence. Unless that fear is reinforced soon, hopes for peace in the Middle East will have to be abandoned forever.

— From The Sunday Telegraph (London).

## In the International Edition

### Seventy-Five Years Ago

July 20, 1906

BERLIN — Notwithstanding Mr. Roosevelt's official assurance that the new inspection laws guarantee the purity of American meat exports, Germany is to enforce new and more stringent regulations against imports from American packing houses. Meat inspectors at various German ports have been instructed that they are to scrutinize the glands of all imported meat cuts for tuberculosis and if symptoms are discovered the meat is not to be permitted to enter. This constitutes a direct blow at what remains of the American meat import in Germany, as the meat comes with the glands removed before shipment, the packers being unable to leave in the glands without spoiling other cuts that are not destined for export.

### Fifty Years Ago

July 20, 1931

PARIS — London today replaces Paris as the scene of the great international effort to save Germany from disaster. The first act of the drama was the historic meeting between the French and German ministers here yesterday. The rapprochement of France and Germany, which was considered essential before any headway could be made in London, has to some extent been accomplished. It was begun in a note of hope Saturday and was continued with less hopeful results yesterday, when a further effort was made to reach an understanding on several important points left in suspense. M. Laval, M. Briand, Chancellor Brinck and Dr. Curtius will leave for the seven-nation conference that opens in London this afternoon.

## What Is to Be Done About Begin?

By James Reston

WASHINGTON — On the eve of President Reagan's first meeting with the other leaders of the industrial world in Ottawa, and at the start of his first attempt to renew peace negotiations in the Middle East, Israel has bombed Palestinian guerrilla headquarters in a densely populated civilian area of Beirut.

Coming shortly after Israel's bombing of the Iraqi nuclear laboratory outside Baghdad, and the popular support shown for this militant Israeli policy by the re-election of Prime Minister Begin, it is clear that Begin intends to defend his country against the PLO terrorists with the terror of his air force. And not only in the Old Testament terms of "an eye for an eye and a tooth for a tooth," but with an eye for a tooth.

That is his business and his duty, as he sees it. The question is what Washington is going to do about it.

Regardless of his treaty commitments to the Charter of the United Nations, or of consequences on the relations of the United States and the other Western countries with the Arab world, Begin does

what he pleases and what he thinks is best for his own country.

None of the allied leaders meeting in Ottawa could claim that Menachem Begin deceived them. He has been more consistent than any of them. He began as a terrorist to establish Israel's independence, and, provoked by the terror of the PLO guerrillas, is using the arts of terror to maintain it. But, with his bombing of Baghdad and Beirut, he has defied the opinion and interests of the United States government, on whose political and military support he depends.

In other crises of U.S.-Israeli relations — the Israeli bombing raid on the Iraqi nuclear facility is an example — Washington has "deplored" and "condemned" the use of force by Israel, and has withheld for a few days the delivery of more American bombers to Israel. It was on the point of delivering them anyway, when the Israelis bombed the PLO headquarters in Beirut. The chances are that when the news of this latest outrage gets off the headlines, the planes will then be delivered. But at the Ottawa summit, Reagan

will undoubtedly be confronted with some hard questions.

What is his Middle East policy? Will the United States continue to finance policies in Israel it "deplores" and "condemns"? If so, will it ever get the support of the Arab oil states for the fuel at bearable prices the industrial nations need? Or will it ever get the military bases Washington wants to protect the free world against Soviet expansion? Or, in addition, will it ever get a compromise settlement of the Palestinian problem on this basis?

These are not casual questions, but even if they are raised in the Congress or the press of the United States, they are immediately met with a torrent of abuse by the "friends" of Israel, many of whom assume that the national interests of Israel are identical to the worldwide interests of the United States, and even that questioning Begin's bombing of Baghdad and Beirut is in some ways a form of anti-Semitism.

Maybe the leaders at the Chateau Montebello in Quebec, across the river downstream from Ottawa, won't embarrass Reagan by stressing these questions. They will be together for only a day and a half. They have produced "briefing paper" as big as telephone books for over a thousand reporters, and after the Big Seven leaders talk in their various languages, there will be little time to deal with their economic tangles or the problems of the Middle East, or North-South relations, before they have to agree on the final communiqué, which will, of course, emphasize their agreement on the goals of a more orderly world without mentioning disagreements about how to get there.

There is, however, no way — and they all know it — to deal with their economic problems of interest rates, trade, unemployment, energy, and the alarming and growing cost of military arms, without dealing with the political problems of the Middle East, and their relations with the Soviet Union.

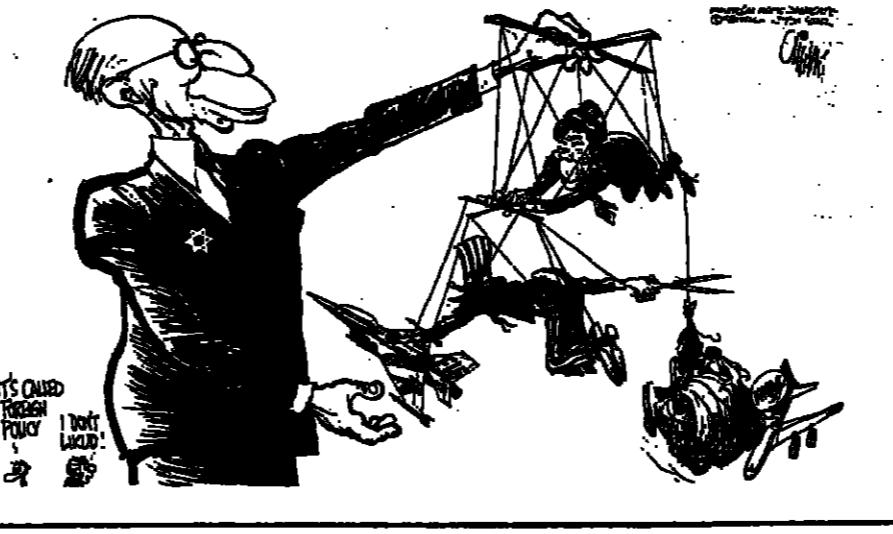
Maybe Reagan can't do much for a while with the Soviet Union, since he has

been insisting in public that they are weak and failing, and that, paradoxically, the United States must increase its military budget to deal with their strengths. But presumably he could do something about the Middle East, where he is trying to make peace, build a secure source of energy and a barrier against Soviet expansion and be faithful to the alliance with Israel.

But he cannot do this without a settlement of the Palestinian problem. His overruling of the Chateau Montebello, across the river downstream from Ottawa, won't embarrass Reagan by stressing these questions. They will be together for only a day and a half. They have produced "briefing paper" as big as telephone books for over a thousand reporters, and after the Big Seven leaders talk in their various languages, there will be little time to deal with their economic tangles or the problems of the Middle East, or North-South relations, before they have to agree on the final communiqué, which will, of course, emphasize their agreement on the goals of a more orderly world without mentioning disagreements about how to get there.

Washington knows this all too well, because of financing the Israeli policies it opposes, and delivering the planes to carry them out. Reagan may very well intend to do so, after a decent interval, but at the Ottawa summit meeting he will undoubtedly be told that Washington's continuous support of Israel, no matter what Begin does, and his verbal hostility to Morocco and reluctance to reach a nuclear arms agreement, will, if continued, split the alliance, and cause more trouble in the world than we need to have.

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## Mitterrand and an Impatience With Effort in France

By William Pfaff

PARIS — If French Socialism is progressive, or reactionary? It is possible to argue that by voting for François Mitterrand as president in May and giving the Socialist Party a huge parliamentary majority last month, the people of France were trying to back out of the modern competitive world, to take refuge in the past.

Mr. Mitterrand's electoral campaign lends itself to this argument. His campaign posters picture him as a simple, rather plain man, standing in solitude before a picturesque village — stone houses, a church tower, in quiet fields. The appeal (conceived by a highly unconservative Paris ad man, Jacques Seguela) was frankly conservative.

The imagery was of stability and the eternal rural France. Absent was any allusion to dynamism, industry, progress, competition.

The opponents of Mr. Mitterrand, former president Valéry Giscard d'Estaing and Paris Mayor Jacques Chirac, presented themselves in their campaign posters and literature as dynamic leaders, and thus, implicitly, as men making demands upon the French. Mr. Mitterrand was advertised as a man of "tranquil strength" reassuring a troubled electorate.

Village Roots

The night of the parliamentary election, a Frenchman said to me that people were voting for the Socialists because "the ordinary Frenchman can see himself in the Socialist Party." It is not an urban and intellectual party, nor even a workers' party, properly speaking. Its historical roots are in the village and the local school.

It became a major force in France at the end of the 19th century, when the country was still hardly industrialized, because major sectors of the peasantry were won to its support. The enemy then was not the factory owner but the rural creditor.

Forty-three percent of the newly elected Socialist members of parliament are teachers — an as-

tounding percentage; 37 percent are university or secondary school professors, and the rest teach in elementary school. And 28 percent of the new Communist deputies are also teachers (18.6 percent in elementary schools).

The country is in the hands of its educators. The Socialist Party is the inheritor of the republican tradition itself, of lay schools, universal literacy, enlightened thought, aggressive secularization — and this is deeply rooted in popular France, especially in certain regions, such as Provence and the old Languedoc, traditionally hostile to Paris and to the north.

Mr. Mitterrand's electoral campaign lends itself to this argument. His campaign posters picture him as a simple, rather plain man, standing in solitude before a picturesque village — stone houses, a church tower, in quiet fields. The appeal (conceived by a highly unconservative Paris ad man, Jacques Seguela) was frankly conservative.

The imagery was of stability and the eternal rural France. Absent was any allusion to dynamism, industry, progress, competition.

The former governing parties, on the other hand, have stood for a new France of urbanization, industrialization, economic rationalization and dynamism. Nearly 40 percent of their deputies in the new parliament are either heads of enterprises or senior business executives. Nearly a fifth have been high state officials.

The head of France's manufacturers' association, François Ceyrac, has compared the 1981 elections with the events of May, 1968 — both of them attempting to find a romantic escape from the modern world. The French, he said, are tired of being told to compete.

Ceyrac sees "a fatigue engendered by the enormous effort constantly demanded for the last 23 years — people ask, 'Will it ever end?'" He says the French "are not used to such a prolonged effort, even if they are capable of great things in the short run." It is a brutal comment, but one cannot say for certain that it is wrong.

The program announced by the new premier, Pierre Mauroy, nonetheless is not addressed to a sluggish population. It makes no promises of easy prosperity, but insists on keeping an open international competitive economy.

Mr. Mauroy said specifically that his government's plan to na-

mer president's impious refusal to accept criticism, was responsible for his defeat.

This is not so. It was the least important of the reasons given by French voters when asked why the old government failed, mentioned by only 13 percent of those polled.

The biggest factor — mentioned by 44 percent — was unemployment. And the people who voted against unemployment expect the Socialist cause to continue.

French unemployment is pres-

ently at roughly the average level among the advanced industrial countries, higher than in West Germany, the Netherlands, Japan and the United States; lower than in Belgium, Italy and Britain. The population is young and a quarter of a million youths enter the job market each year. That many jobs have to be created to hold the unemployment rate where it is now.

But the expectations of the vot-

ers, as they have articulated them to pollsters, are not that simple. Because the American press gave a great deal of attention to the Bokassa diamonds affair in the last months of the government of Valéry Giscard d'Estaing, it is often assumed that this, with the for-

mer president's impious refusal to accept criticism, was responsible for his defeat.

This is not so. It was the least important of the reasons given by French voters when asked why the old government failed, mentioned by only 13 percent of those polled.

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## IMF Urges Stress on Inflation Fight

## Report Warns Against Risks of Expansionist Policies

By Carl Gewirtz

International Herald Tribune

PARIS — Any hope that the Ottawa summit conference, which opens Monday, might produce a "quick fix" for the economic policy dilemmas facing the major industrial countries was scuttled Sunday by the International Monetary Fund.

"The picture of the world economy is one of large and widespread imbalances," says the IMF's World Economic Outlook, requiring "courageous pursuit of sound policies of adjustment — patiently looking to results in the medium term, not necessarily in the near future."

"Without such policies . . . the world economic situation could become critical," the IMF staff survey says, warning that "the margin for error is limited, and the stakes are

high." The 107-page report and supplementing appendices arguing against any "premature" shift to expansionist policies contrasts sharply with the watered down report a week earlier by the Organization for Economic Cooperation and Development whose 24 members for the most part constitute the most developed industrial democracies.

## Timing of Reports

The difference is apparently explained by the fact that the IMF report was approved by member governments in May, just as France's Socialist government was being voted into office whereas the OECD Economic Outlook, written at the end of June, had to accommodate the views of the new government, which places a greater emphasis on finding

ways to combat inflation. The report holds 33 exports, while the OECD document holds 20 percent of exports.

Some notes that are expected to be adopted at the meeting of the International Monetary Fund in Paris in September are to be presented to the members of the United States delegation on the opening day of the conference in Paris.

Germany: GNP Rose

East Germany's figure shows a continuing upward trend.

West Germany's figure shows a slight upward trend.

France: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

United Kingdom: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Japan: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

United States: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Canada: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Italy: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Australia: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Sweden: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Finland: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Norway: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Iceland: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Portugal: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Spain: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Belgium: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Luxembourg: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Netherlands: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Denmark: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Austria: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Greece: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Malta: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Poland: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Yugoslavia: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Albania: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

China: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

North Korea: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

South Korea: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Iran: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Yemen: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

Lebanon: GNP rose 2.5 percent in 1980, up from 2.2 percent in 1979.

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## International Bond Prices—Week of July 16

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse-First Boston

## RECENT ISSUES

Am.	Security	Shr/Conv	Issue Pr.	Amt Pr.	Yield	Am.	Security	Shr/Conv	Issue Pr.	Amt Pr.	Yield	
530	Toronto-Dominion Bank	5 100	99	15.42		575	Prov Of Nova Scotia	10/24/81 Jul	92	14.2	14.08	10.07
531	15 1/2% 1986 Jul					576	Prov Of Nova Scotia	15/2/81 Jun	92	14.2	13.54	15.27
532	First Credit Overseas	5 188	98.14	14.42		577	Prov Of Quebec	9 1/2 80 Apr	92	14.2	13.57	15.27
533	Matheson Finance Fin	5 95 1/2	98 1/4	14.27		578	Prov Of Quebec	9 1/2 80 Apr	92	14.2	13.57	15.27
534	15 2/4% 1981 Jul					579	Prov Of Quebec	9 1/2 80 Apr	92	14.2	13.57	15.27
535	3 3/4% 1990 Nov					580	Prov Of Quebec	9 1/2 80 Apr	92	14.2	13.57	15.27
536	World Bank	5 100	113			581	Prov Of Quebec	12/1/80 Jul	92	14.2	13.57	15.27
537	Pacific Lightline Int'l	5 100	100 1/2	15.53		582	Prov Of Quebec	12/1/80 Jul	92	14.2	13.57	15.27
538	15 3/4% 1981 Jul					583	Bank Of Nova Scotia	10/24/81 Jul	92	14.2	13.57	15.27
539	15 3/4% 1981 Jul					584	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
540	15 3/4% 1984 Jun					585	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
541	15 3/4% 1986 Jun					586	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
542	15 3/4% 1988 Jun					587	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
543	15 3/4% 1990 Jun					588	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
544	15 3/4% 1992 Jun					589	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
545	15 3/4% 1994 Jun					590	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
546	15 3/4% 1996 Jun					591	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
547	15 3/4% 1998 Jun					592	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
548	15 3/4% 2000 Jun					593	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
549	15 3/4% 2002 Jun					594	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
550	15 3/4% 2004 Jun					595	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
551	15 3/4% 2006 Jun					596	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
552	15 3/4% 2008 Jun					597	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
553	15 3/4% 2010 Jun					598	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
554	15 3/4% 2012 Jun					599	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
555	15 3/4% 2014 Jun					600	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
556	15 3/4% 2016 Jun					601	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
557	15 3/4% 2018 Jun					602	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
558	15 3/4% 2020 Jun					603	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
559	15 3/4% 2022 Jun					604	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
560	15 3/4% 2024 Jun					605	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
561	15 3/4% 2026 Jun					606	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
562	15 3/4% 2028 Jun					607	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
563	15 3/4% 2030 Jun					608	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
564	15 3/4% 2032 Jun					609	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
565	15 3/4% 2034 Jun					610	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
566	15 3/4% 2036 Jun					611	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
567	15 3/4% 2038 Jun					612	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
568	15 3/4% 2040 Jun					613	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
569	15 3/4% 2042 Jun					614	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
570	15 3/4% 2044 Jun					615	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
571	15 3/4% 2046 Jun					616	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
572	15 3/4% 2048 Jun					617	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
573	15 3/4% 2050 Jun					618	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
574	15 3/4% 2052 Jun					619	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
575	15 3/4% 2054 Jun					620	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
576	15 3/4% 2056 Jun					621	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
577	15 3/4% 2058 Jun					622	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
578	15 3/4% 2060 Jun					623	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
579	15 3/4% 2062 Jun					624	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
580	15 3/4% 2064 Jun					625	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
581	15 3/4% 2066 Jun					626	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
582	15 3/4% 2068 Jun					627	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
583	15 3/4% 2070 Jun					628	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
584	15 3/4% 2072 Jun					629	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
585	15 3/4% 2074 Jun					630	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
586	15 3/4% 2076 Jun					631	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
587	15 3/4% 2078 Jun					632	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
588	15 3/4% 2080 Jun					633	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
589	15 3/4% 2082 Jun					634	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
590	15 3/4% 2084 Jun					635	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
591	15 3/4% 2086 Jun					636	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
592	15 3/4% 2088 Jun					637	Bank Of Nova Scotia	15/2/81 Jun	92	14.2	13.57	15.27
593	15 3/4% 2090 Jun					638	Bank Of Nova Scotia	15/2/81 Jun	92	14.2		

## Takeover Maneuvering Generates \$32.7 Billion of New Credits

(Continued from Page 7)  
the first five years; a half over for the next two years and 3% point over Libor for the final three years. D. Pont is also paying a quarter percent commitment fee for the first six months, rising to 3% percent thereafter.

Atlantic Richfield: \$650 million for 12 years, offering prime plus 4% points for the first four years and prime plus half a point thereafter (or alternatively, 3% point over the adjusted 90-day rate for certificates of deposit for the first four years before rising to 3% point) or half a point over Libor for the first four years and 3% points thereafter. It is paying a quarter percent commitment fee for the first six months.

### Pennzoil Move

In addition, only skimpy details were yet available on the \$2.5 billion Pennzoil is raising under the aegis of Citibank (reportedly for nine years). Pennzoil is said to be

insisting on retaining for itself the option of deciding whether interest is based on prime or Libor — a move lenders are resisting. Cities Service is arranging a \$1-billion loan with Citibank and Morgan Guaranty, but no details were immediately available.

Atlantic Richfield: \$650 million for 12 years, offering prime plus 4% points for the first four years and prime plus half a point thereafter (or alternatively, 3% point over the adjusted 90-day rate for certificates of deposit for the first four years before rising to 3% point) or half a point over Libor for the first four years and 3% points thereafter. It is paying a quarter percent commitment fee for the first six months.

### What Is 'Friendly'?

It is true that many of these loans may never be drawn if, as reported or assumed, D. Pont, Mobil, Texaco and Gulf are all building the cash needed to take over Conoco. On the other hand, there is nothing to stop the losing Conoco suitors from using the funds to launch other takeovers.

It is of some interest, then, that

bankers have elicited specific wording from Texaco when it put together a \$3-billion war chest last year. When it refused to be taken over, Bank of America Chase Manhattan and Morgan Guaranty Trust refused to participate in Aquitaine of Canada from Elf Aquitaine of France, which was then the largest ever loan syndication — fearing they could find themselves financing the takeover of an important client who opposed the bid.

Unfortunately, bankers involved in the current transactions refused to divulge the specific wording they elicited from the borrowers or to explain how they defined "friendly."

The other transactions currently underway appear minuscule by comparison.

Exxon is in the market seeking

to finance an electricity project in Hong Kong. Under the aegis of Citibank, the oil giant is raising \$300 million for 12 years, with interest set at 3% point over Libor for the first four years, a half-point over Libor for the next four years and 3% point over Libor for the final four years. A companion \$200 million, guaranteed by the U.K. export credit agency, is for 21 years with interest set at 3% point over the interbank rate.

Occidental Petroleum is restructuring \$300 million of outstanding bank debt into a new seven-year loan with interest set at a split 3% point over Libor. Swiss Bank Corp. is organizing the operation, which will be a "club" deal only including banks having loans to Oxy.

### Brazil Back

Brazil is raising \$400 million for the Itaipu Binacional hydroelectric project with Paraguay, up from the originally proposed \$300 million. Lenders have choice of an eight- or

10-year maturity. The increase in the amount and the inclusion of a 10-year element, the first in over a year for Brazil, is being taken as a sign that the country — one of the most heavily indebted — is back in favor with the banks.

Interest on the \$340-million, eight-year portion will be set at 3% points over Libor or 2 percentage points over the prime of lead manager Morgan Guaranty Trust. The interest on the \$60-million, 10-year portion is set at an eighth of a point higher.

Public Power Corp. of Greece is seeking \$250 million. Of this, \$200 million will be syndicated as a 10-year loan bearing interest of 7/16 point over Libor for the first two years and a half point over thereafter. Managers underwriting \$10 million will earn participation fee of 3% percent on their takedown and 1/16 percent on their sell-down.

The remaining \$30 million is being taken by a group of Japanese banks in the form of a 12-year floating rate note with interest set at a quarter-point over Libor. However, front-end fees and commissions lift the yield to the lenders to the level paid on the syndicated loan. The Japanese purportedly want "marketable securities" to skirt some of the restrictions that apply to the participation in the syndicated market.

Ansett, the domestic Australian airline, guaranteed by the government, is raising \$19.8 million to finance the purchase of aircraft. The loan will be divided into two parts, one for six years and the other for 10 years. The amounts for each portion have not yet been specified. Interest on both will start at a quarter-point over Libor for the first three years, rising to 3% point over Libor thereafter. Credit Commercial de France is lead manager.

Korea Electric Co. is in the market for \$200 million. Interest on this 10-year loan will be set at 3% point over Libor.

### JAPAN PACIFIC FUND

Société Anonyme

Luxembourg, 37, rue Notre-Dame

R.C. Luxembourg B-440

### Notice of Meeting

Messrs. Shareholders are hereby convened to attend the Extraordinary General Meeting which is to be held on July 29, 1981 at 11.30 a.m. at the offices of Krediebank S.A. Luxembourg, Luxembourg, with the following agenda:

#### Agenda

Amendment to the first sentence of Article 8 of the Articles of Incorporation, in order to change the date of the Annual General Meeting of Shareholders to the third Wednesday of June at 3 p.m.

Resolutions to be taken at the Extraordinary General Meeting will require a quorum of at least one half of the shares issued and outstanding and, in order to be valid, resolutions must be taken at a 2/3 majority of the shares present or represented at the Meeting.

The Board of Directors

## U.S. Money Supply Figures Send Debt Market Reeling

(Continued from Page 7)

Supply data, David Jones of Aubrey G. Lanston & Co. told Renters that the latest rise in M-1 brings its growth rate in line with the Fed's longer-term growth targets, after having been well below the target last month. "This will take away any incentive for the Fed to ease, and will limit the extent of further Fed easing actions."

The Fed's objectives should become clearer this week when Chairman Paul A. Volcker presents his mid-year review to Congress. In addition, markets should get some direction from the economic figures to be released. Data on second-quarter gross national product is to be reported Wednesday and forecasts range from a decline of up to 2 percent on an annualized basis to an increase of 1 percent following the rapid 8.6 percent growth in the first quarter.

### Money-Market Fund

Investors who are tired of trying to outguess where rates are headed and eager to put their money into a money-market fund may be in-

terested to know that the first such fund based in Europe is currently being launched. European Banking Co., which is owned by seven major international banks, is offering shares of A and B units of its International Income Fund.

Unit A will be invested only in dollar instruments having a maximum maturity of 12 months. Unit B will invest in similarly short-dated instruments but the currency composition will be a cocktail — currently 59 percent dollars, 15 percent Deutsche marks, 13 percent yen and 13 percent Swiss francs. The composition of the cocktail will change from time to time, as EBC sees fit.

The units are being sold for \$1, with a minimum investment of \$1,000 required. Valuation will be made daily and three days' notice is required for redemption.

In the bond market, only three issues were announced last week, with IBM World Trade Corp.'s \$60-million, four-year offering the biggest success. The notes, priced at par, bear an annual coupon of 14% percent and were quoted on a when-issued basis at issue price.

The EIB and the European Coal & Steel Community together account for 8% percent of the total \$75 billion worth of straight dollar-denominated Eurobonds, according to the latest issue of Hill Samuel's International Bond Quarterly.

The EIB has \$4.4 billion outstanding against \$2.02 billion for the ECSC. Noting "investor resistance over the increasing amount of debt incurred by these borrowers," Hill Samuel advised readers that "these concerns are, in the main, unfounded in an economic sense."

Issues of both "remain highly secure and there is no tangible evidence ... that either is any less credit worthy now than in the past." The U.K. investment bank further notes that "the large number of their issues outstanding can only help in an active portfolio management program."

### Slow Moving

Also moving slowly was the \$50 million for AFS Finance Co., guaranteed by Arizona Public Service Co. The seven-year issue is expected to carry a coupon of 16 percent with the issue price to be set in light of market conditions on July 1.

### Market Turnover

Also moving slowly was the \$50 million for AFS Finance Co., guaranteed by Arizona Public Service Co. The seven-year issue is expected to carry a coupon of 16 percent with the issue price to be set in light of market conditions on July 1.

### Gold Options

The coupon for Seiyu Stores Ltd.'s £15-million, 15-year convertible

20. However, the issue was said to be moving slowly because the market is not well known to the market dealers said.

In Singapore, the Commercial Bank of Korea Ltd. is raising \$20 million through an issue of three-year floating rate certificates of deposit. Interest will be set at a quarter-point over the Singapore interbank offered rate for six-month dollar deposits.

A number of issues were priced last week. The coupon on the \$40-million, 15-year convertible for Dai Nippon Ink & Chemicals was set at 6% percent as indicated with a conversion price of 282 yen. The exchange rate was fixed at 229.1 yen per dollar.

Toyo Meika Kaisha's \$30-million, 15-year convertible, sold at par bearing a coupon of 6% percent, down from the initially indicated 6% percent. The paper is convertible into the trading company's Tokyo shares at 218 yen, representing a premium of 2.8 percent. The exchange rate was fixed at 230.60 yen per dollar for the life of the issue.

### Convertible Reduced

The 10-year convertible for Texas General Resources was reduced to \$12 million from the initially planned \$15 million. Priced at par, the issue bears a semi-annual coupon of 10% percent. The conversion price was fixed at \$28.50, representing a premium of 14 percent.

Northwest Energy's 15-year issue, convertible either into common stock or into a fixed rate bond, was cut to \$40 million from the originally envisaged \$50 million. The coupon on the convertible was set at a semi-annual 9 percent. The bonds can be converted into shares at a price of \$244, a premium of 18.3 percent. The fixed rate coupon was set at 16% percent.

The coupon for Seiyu Stores Ltd.'s £15-million, 15-year convertible

was set at 7/4 percent, in the middle of the indicated 6-to-8 percent, and the bonds are convertible into the company's shares at a price of 696 yen. The exchange rate for the life of the bond was set at 437.74 yen per dollar.

The seven-year issue of 20 million units of Account for Elsam, the Jutland-Funen Electricity Commission, was priced at 99 bearing a coupon of 11% percent to yield 11.72 percent.

Euromoney Yield\* Week Ended July 15 (U.S. Dollars)

International institutions	14.46 %
Industries, long term	13.85 %
Industries, medium term	14.89 %
Canadian dollars, medium term	15.18 %
French fr. medium term	17.36 %
Unit of acc., long term	10.97 %

\*Calculated by Luxembourg Stock Exchange

Market Turnover Week Ended July 17 (Millions of U.S. Dollars)

Total N.A. N.A. N.A. Non-dollar

Cedel 5,268.8 4,986.5 282.3

Euroc. 5,268.8 4,986.5 282.3

Source: Euromoney

June 1981

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## Over-the-Counter

NEW YORK (UPI)—Weekly Over-the-Counter prices for the week, with the net changes from the previous week and bid prices. All quotations supplied by the New York Stock Exchange. Directors, Inc. are not actual or recent prices, but representative bid prices of which the latest could have been sold. Prices do not include round-trip commission or commission. Sales supplied by NASD.

	Sales in 100s High Low Last Chge							Sales in 100s High Low Last Chge							Sales in 100s High Low Last Chge							Sales in 100s High Low Last Chge								
	100s	High	Low	Last	Chge		100s	High	Low	Last	Chge		100s	High	Low	Last	Chge		100s	High	Low	Last	Chge		100s	High	Low	Last	Chge	
KEITH, C.	510	247	212	232	-2		577	247	212	246	-1		578	216	196	196	-1		5	214	21	21	-1		778	394	324	324	-1	
KEITH, C. (cont'd.)	507	247	212	232	-2		507	251	212	212	-1		505	251	212	212	-1		2	21	-	-	-1		778	394	324	324	-1	
KEITH, C. (cont'd.)	507	247	212	232	-2		507	251	212	212	-1		505	251	212	212	-1		2	21	-	-	-1		778	394	324	324	-1	
KEITH, C. (cont'd.)	507	247	212	232	-2		507	251	212	212	-1		505	251	212	212	-1		2	21	-	-	-1		778	394	324	324	-1	
KEITH, C. (cont'd.)	507	247	212	232	-2		507	251	212	212	-1		505	251	212	212	-1		2	21	-	-	-1		778	394	324	324	-1	
KEITH, C. (cont'd.)	507	247	212	232	-2		507	251	212	212	-1		505	251	212	212	-1		2	21	-	-	-1		778	394	324	324	-1	
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KEITH, C. (cont'd.)	507	247	212	2																										



# Rogers Rules Britannia by 4 Shots

From Agency Dispatches

SANDWICH, England — Bill Rogers scored consecutive birdies to recover his momentum during Sunday's final round, and emerged with a 71 and a four-stroke victory in the 110th British Open Golf Championship.

The 29-year-old Texan won the first major title of his seven-year pro career with a 276 total, four shots under par on the 6,829-yard Royal St. George's Golf Club links. The victory was worth \$50,000 from the total purse of \$400,000.

Rogers, runner-up in the U.S. Open last month, had a five-stroke lead when the final round started, but had it dwindle — mostly through his own botched efforts — to a single shot after only seven holes of the final 18.

Most of Rogers' trouble came on the 529-yard, par-5 seventh.

Normally one of golf's most accurate players, Rogers had played shakily in the early going, missing two greens and two fairways over the first six holes. On the seventh, he drove into the rough, put his second on the bank of a bunker, hit his third far to the right of the green (and over the heads of gallery), was short with his pitch from the rough, chipped to within four feet, and missed it.

## Jumpy and Antsy

It was a double bogey 7, and cut his margin to one stroke over young Bernhard Langer of West Germany, with Ray Floyd only two back.

And Rogers is certainly not foreign to Rogers. Indeed, his friends call him "panther." "That's cause I've always been kinda jumpy and antsy ... Always movin' around ... Never wanna miss anything," Rogers said sheepishly. "It looks like I don't have nerves out there, well, it's a show. I got 'em. I just hid 'em."

But his problems through the first seven holes, really, were the only major drama of the final round.

"I would really love to walk up there with things in hand," Rogers had said Saturday after opening rounds of 72, 66 and 67.

In trying to get things in hand, Rogers settled down: he made par on the next hole, then birdied the 9th and 10th. He was in command again, and the man inevitably dubbed "Buck" by his fellow pros on the U.S. tour, was in control the rest of the way as the principal challengers — Langer, Floyd and Mark James — began to fall back.

Indeed, Langer, 23, has laid claim to being the youngest man ever to have a full-blown case of the yips ("It lasted four years"), and James constantly toys with his stroke ("Bad putters tend to change their grips.")

Langer, the son of a Munich bricklayer, took second with a par-70 final round and a 280 total. It was the best finish ever recorded by a German in one of the Big Four golf tournaments.

James, a laconic British regular on the European tour, and Floyd shared third at 83. James shot a 73 and Floyd had a 70 in the chilly, breezy weather.

Sam Torrance of Scotland, benefiting from a hole-in-one on the 16th, managed to get in at par 70 despite a double bogey on the last hole and was alone at 284. Bruce Lietzke, Rogers' college roommate at the University of Houston, and Manuel Pinero

of Spain were next at 285. Lietzke, also a three-time winner this season, shot a closing 69 and Pinero had a 70.

Ben Crenshaw was perhaps the most disappointed golfer at the event after he virtually eliminated himself with a third-round 76 that put him at 286 for the tournament.

"I always seem to play my worst on the best days," said the disconsolate Crenshaw who, it must be said, appears to have a severe golfing problem when it comes to major championships. He called Saturday's round "the worst golfing day of my life."

"There's such a fine line between playin' real good and playin' real bad," said Rogers, shaking his head. "The day before [Friday],

it looked like Ben would never hit another bad shot. Only those of us who play this game at the highest level know how thin that line is."

Although Rogers won it, it was one of the poorest overall performances in a decade by the Americans, who placed only four men in the top 10.

At least part of that can be attributed to the failure of the United States' two biggest guns, Jack Nicklaus and Tom Watson.

Nicklaus, holder of a record 17 major professional titles, simply couldn't recover from an opening round of 82, the worst of his career. And Watson, the defending champion, took himself out of it with a 3-5 in the third round.

They finished in a tie for 17th at 290 — 10 over par. Also at 290 was the venerable and venerated Arnold Palmer.

But the biggest cheers were reserved for Rogers, who had to force his 145-pound, 6-foot frame through a surging mass of spectators who swarmed onto the 18th fairway and were scarcely controlled by marshals.

On Saturday, Rogers had said: "The finish of the British Open is like nowhere else. Not even the Masters can match it." Then, Sunday, he knew of what he spoke: "It's the greatest feeling in golf. This is incredible."

## The State Beach Open

By Dave Anderson  
New York Times Service

SANDWICH, England — When a raw wind sweeps across the sand dunes of Royal St. George's, the members like to say, "One more sweater."

But Saturday the golfers and the galleries were taking off their sweaters. They strolled around in their shirtsleeves, almost as if they were at the Bob Hope Desert Classic instead of the British Open, where the rain is supposed to be horizontal, where the chill is supposed to require cashmere and turtlenecks, where only the beer is supposed to be warm.

Perhaps that is why Bill Rogers had a five-shot lead going into Sunday's final round.

In his seven years on the PGA tour, 29-year-old Rogers had won only two tournaments.

## At the Sea Wall

But Royal St. George's resembled a state beach more than an English seaside golf course on Saturday. Not that anybody was sweating. Nobody sweats here. Perspire a bit perhaps, never sweat.

But out near the sea wall of Sandwich Bay that caresses the English Channel, dozens of autos were parked beyond the fifth hole. Their occupants preferred sunbathing on the rocky beach to watching the world's most international golf event.

This is not The Open, even though the British call it that as if there were no other. For several decades now, the United States Open has been the world's most prestigious golf tournament because it annually has the best field. But the British Open is easily the world's most international tournament.

Somebody with a golf hat with "Royal Hong Kong" on it will be standing alongside someone with a golf hat with "Pebble Beach" on it. And the voices in the gallery

attest to its international accent as much as the golfers from all over the world.

"Maddening to three-putt," an English voice says.

"Magnifique," a French voice says after a bunker shot.

"Ooooh, look," one of the Scots was saying Saturday. "Toom Watson is off the board."

Watson, who was 12 shots behind on Saturday, was accorded polite applause as the defending champion and, on leaving the 18th green, an Englishman said, "That's not what he's done this year, that's for what he did last year."

Of all the touring pros, Ben Crenshaw is also the most attuned to golf lore. He knows all the history. The shame is that he's not been able to be part of that history.

"I keep walking down the fairways here, wondering where Henry Cotton hit the ball in 1934 when he shot 65."

In nearly a decade, Crenshaw has won a few tournaments and a lot of money. But he's never won a major tournament. Only those who win a major are really a part of golf history.

His appreciation of golf lore has contributed to his adoption by the British galleries who love him almost as one of their own, a reincarnation of some tiny Scot, a wee lad who somehow is a contender with hickory-shafted clubs and the gutta-percha ball.

Many thought this would be Crenshaw's year after what he had accomplished the previous four years — third in 1980 at Muirfield, tied for second in 1979 at Royal Lytham & St. Annes, tied for second in 1978 at St. Andrews, tied for fifth in 1977 at Turnberry.

But it was not to be. And it fell to Crenshaw's buddy, Bill Rogers, to become this year's part of golf history. And it counted, even if it came in one-sweater weather.

## FINAL 72-HOLE SCORES

276: Bill Rogers, U.S., 72-66-4-71.

280: Bernhard Langer, W. Germany, 73-67-70-78.

282: Ray Floyd, U.S., 74-70-69-70; Mark James, Britain, 72-70-68-72.

284: Sam Torrance, Scotland, 74-67-73-78.

285: Bruce Lietzke, U.S., 76-67-71-69; Manuel Pinero, Spain, 73-74-68-70.

286: Tom Watson, U.S., 72-66-57-71; Howard Clark, Britain, 73-70-68-71; Brian Jones, 71-72-69-71.

287: Ian Alistair Jackson, 71-72-69-74; Nick Faldo, Britain, 71-68-72-73.

288: Lee Trevino, U.S., 77-67-70-71.

289: Bernard Langer, 70-68-70-70; Sandy Lyle, Britain, 73-74-70-71; John Cook, Britain, 73-68-71-74.

290: Graham Marsh, Australia, 75-67-68-72; Graham Morris, Australia, 75-71-72-71; Jerry Jacklin, Britain, 73-68-71-74.

291: G. J. Broad, Britain, 73-67-72; Peter Thomson, Australia, 75-70-71-72; Tony Jacklin, Britain, 71-72-73-75; Simon Owen, 72-73-74-75.

292: John McGinley, Britain, 77-72-73-74; G. Norman, Australia, 72-75-73-72; Dick Smith, Britain, 72-73-74-74; Trevor Powell, Britain, 75-74-75-75.

293: E.W. Dunk, Australia, 74-67-72; Tommy Horton, Britain, 75-73-73-71; Bruce Charles, N.Z., 77-71-71-73; Mattheus Oosthuizen, South Africa, 75-73-73-72.

294: Seve Ballesteros, Spain, 75-73-74-72; Neil Coles, Britain, 74-73-73-73; F. Molina, Argentina, 78-58-74-73; Roger Davis, Australia, 74-71-74-74; Johnny Miller, U.S., 71-73-73-76.

295: Tomaz Brzak, Britain, 74-72-74-74; Ron Streck, U.S., 78-70-74-74; Terry Goss, Australia, 75-74-74-74; John Gonsalves, Brazil, 75-76-76-73; Mario O. Alvaro, U.S., 74-73-73-75; Hal Sutton (runner-up), U.S., 77-73-73-74.

296: David Jones, Britain, 77-71-74-74; David Thorne, Britain, 76-73-74-74; John Cook, Britain, 75-74-74-74.

297: Eddie Cheever, U.S., 75-69-74-74; John Surtees, Britain, 78-70-73-76; Mike Ferguson, Australia, 75-72-71-74.

298: Warren Humphreys, Britain, 76-71-74-76; Noel Hunt, Britain, 74-73-75-76.

299: John D'Arcy, Britain, 72-74-75-77; Payne Stewart, U.S., 73-75-77-77; George Gordan (runner-up), Britain, 73-71-72-81.

300: Dick McClean, U.S., 75-73-73-73.

## Again, No Egalite: Hinault Triumphs in Tour de France

By Samuel Abt

International Herald Tribune

PARIS — Monarch of all he surveyed was greedy for more, Bernard Hinault on the Tour de France bicycle endurance race Sunday for the third time in four years.

"I will get my revenge," he said last year when illness forced him to withdraw from a race, and Sunday he got just that.

Hinault, a 26-year-old Frenchman, earned for victory along the Champs-Élysées as ferociously as he did during the st 23 stages of the race.

Until the last 100 yards he was second in the sprint finish before he allowed himself to drop back and let the rest of the field fight it out for the final honor.

The winner before a crowd of approximately 200,000 was Freddy Maertens, 29, Belgian. This was the fifth victory of the year for Maertens, who finished far behind in the overall standings because of slow times in the mountains.

Hinault won five stages, four in trials and one in the mountains, and finished second several times in sprints and climbs while demonstrating his general power. He took the overall leader's yellow

jersey the seventh day of the race and held it confidently, even arrogantly, afterward.

Victory was worth a \$25,000 apartment in Normandy for Hinault, who picked up about that much more in various prizes along the way. He should earn a comparable sum in the series of one-day races in the provinces that complete the calendar after the tour.

In all, about \$350,000 in prize money was distributed during the race, with the average rider making about \$2,000.

But money was not the major goal this year for Hinault, who rides for the Renault team. Revenge has been on his mind since tendinitis in the knees forced him to quit last year. He was leading, as usual.

Two months later he captured the world championship, but as he has said many times since, what he wanted most was to triumph again in the Tour de France.

From the start, he dominated this 68th edition of the race, crossing the finish line with an overall lead of 14 minutes 34 seconds, the seventh-largest margin in the modern history of the Tour.

Second overall was Lucien Van Impe, 34, a Belgian who rides for the Boston

team and who won the Tour in 1976. Van Impe also captured this year's honors as the best mountain racer.

Third was Robert Albas, 29, a Frenchman with the Redoute team, and fourth was Joop Zoetemelk, 34, a Dutchman with the Raleigh team, who won the Tour last year after Hinault's withdrawal.

There were 121 finishers out of the field of 130 that started the 2,300-mile grind June 23 in Nice. The number of finishers was far off a record, breaking the mark of 104 set in 1974. The average speed during the race, about 24 miles per hour, also set a record, by fractions, for the Tour de France.

Both records testified to Hinault's control of events from the first day, when he won a race against the clock — through Sunday — a 115-mile jaunt from and around the southern outskirts of Paris. So total was his domination that this year's race was the least exciting in years, with even Hinault finally admitting that what he missed most was a challenger.

It is not often that the prize for the most combative racer goes to the lone-time leader, as it did to Hinault after only Phil Anderson, a 23-year-old Australian with the Peugeot team, dared challenge him. Anderson

would have been stripped of the title on the spot.

Spinks had weighed in earlier at 173 1/4. The weigh-in was held a half-hour past midnight because the fight was scheduled for the early afternoon and the fighters did not want to be weighed at dawn. The hour seemed to be to Mustafa Muhammad's advantage. Once he had met the weight requirement, he could eat as much as he pleased and weigh as much as he wanted when he entered the ring.

Spinks had been weighed in his underwear, but when Mustafa Muhammad, naked, stepped onto the scale, the women in the crowd were asked to stand back. Al Braverman, the champion's chief second, held a towel around Mustafa Muhammad as he stepped on

the scale. It read 176 1/4 — too much.

The champion's entourage went by car to the nearby Las Vegas Sporting House, a health club that was open — as everything seems to be here — all night. Four or five members were in the place when the entourage arrived. An employee went to get a sweatshirt, another went to look for gum.

Mustafa Muhammad skipped rope for 12 minutes in a rubberized sweatshirt. He was still three-quarters of a pound too heavy. He changed into a fresh sweatshirt and did another 12-minute cycle. He was a quarter-pound too heavy. He changed again and jumped some more, and left the club without being weighed. He did not have much time to get back to the hotel.

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"We did it the hard way," Braverman said. But 14 hours later, the champion was dethroned.

## Kim Stops Flores in 13th

SEOUL (Reuters) — South Korea's Kim Hwan Jin won the WBA light-heavyweight title Saturday night by stopping champion Pedro

## Language

## Word Winnowers

By Trudy Tynan

*The Associated Press*

**SPRINGFIELD, Mass.** — "Chairone was one of our biggest mistakes," Mish said. "It was being pushed by the National Organization for Women and we got a lot of citations for it over a six-to-eight-month period just before we published our latest addendum to the unabridged, so we included it. We should have been more cautious. No one has heard of it since."

The 30 editors, including specialists in science and sports, can spend their day reading anything from The New York Times and Scientific American to Rolling Stone and Cat Fanciers magazine.

The idea, he said, is to ferret out and record the language as it is used — a decision that has occasionally gotten the editors of Merriam-Webster into hot water.

The company's most recent unabridged edition, Webster's Third New International Dictionary, raised a storm of protest when it was released in 1961 and included what some called slang, to say nothing of more direct four-letter words. And its addenda, published every five years with such new entries as "closet queen," continue to raise eyebrows.

Mish said he still gets a "couple of letters a year" from readers shocked to have found a "dirty word" in the dictionary, but he said the unfeudalized "Unquestionably these words are used," Mish said. But there's still a place for scholarly caution: one widely used four-letter term for intercourse wasn't allowed in until it was satirized by a horse or cattle led.

## Hits and Misses

Although the finished product may become the staid voice of authority, the making of a dictionary can begin with the hits and misses from the pages of Playboy magazine or The Wall Street Journal.

"Each of our editors spends part of his or her day reading. Whenever they see a new word or new use of a word, a citation is made and filed," Mish said.

When a word gets enough citations, it becomes a candidate for the dictionary. It's tucked away on the second floor, where all the words that have stirred the United States' hopes and fears, laughter and tears since 1790 — and many that didn't — can be found on 12½ million 3-inch by 5-inch file cards.

## One of Biggest Mistakes

"Mini-cam," for example, became a candidate after Mish heard a crew from a Hartford, Conn., television station use it to describe their small, portable camera during an interview at the company.

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## Not for Everyone

Although the language may be lively, the quiet life at Merriam-Webster is not for everyone.

"Some people are driven crazy in a few weeks by the routine of work here and what amounts to a library atmosphere. Others stay 20 or more years," Mish said, pointing out that Samuel Johnson, who compiled the first comprehensive dictionary of English back in the 18th century, once whimsically defined his fellow lexicographers as "harmless drudges."

What's needed, Mish said, is a rigorous and analytical mind, an ability to sit at a desk for seven to eight hours a day and "that special feel" for language. "Some of our biggest disappointments were Ph.D.s in English," Mish said.

William Safire on vacation.

## Cowboys

By William Serrin  
*New York Times Service*

**M**EDAL, wide-brimmed hats over their eyes and scrambled eggs, sausage and coffee in their stomachs, Frosty and Jeff Crane saddled their horses an hour past sunrise and rode toward Robbers Roost to check stock.

Frosty Crane split off toward the far end of the range and came up the Roost, a high outcropping of rock, from the side. Jeff Crane rode straight up the old Union Pacific grade. The two met at the base of the Roost, then cantered up a rise, their horses' hooves clattering on the flint and shale.

From the rise, the men could see 60 miles. There was not a sign of civilization except for the Crane ranch below them, five miles west. The few signs of life were cattle and an occasional antelope that would stand still for a moment, then rush off.

Here, on the rise, with nothing before them but a pale blue sky and the seemingly endless great green plains, it seemed that Frosty Crane was correct in what he had said that morning: This was, he thought, the best job in the United States.

Frosty and Jeff Crane are American cowboys. In time when Western clothes, Western music and Western bars are the latest craze, the Cranes are authentic cowboys, not urban or weekend cowboys who never sat a horse or trailed cattle.

## Few Left

They are among the last of their kind, for there are perhaps only a few thousand men left in the United States who work as cowboys.

Many things have combined to make the traditional cowboy a dwindling part of the work force: wages in the mines and on the oil rigs were being constructed in the West; the continuing lure of the city; "new technology," such as jeeps, trail bikes and airplanes; the benefits that one can draw through unemployment or welfare. No one really knows how many cowboys there are: they are lumped among the nation's 2.7 million agricultural workers.

The cowboy of legend, the free-lance, free-spirited man alone for weeks or months with the cattle of a unfenced ranch on grasslands that were cattle and Medicine Bow rivers.



Jeff Crane (left) and his brother Frosty hatted up for work.

never felt a plow, is an enduring figure, perhaps the central symbol of the nation.

If the myth began in any one place, it started in Medicine Bow and the surrounding area, where in 1883 a young Easterner, Owen Wister, came to study the West. In 1902 he published "The Virginian," which became the first seriously accepted Western novel.

There probably were never more than 40,000 cowboys in the United States. Their palmy days lasted from about 1865, when the big cattle drives north from Texas to the Rocky Mountain grasslands began, until the late 1880s, when blizzards, barbed wire, overgrazing and plowing cattle prices ended the great days of the open range.

## Concocting the Myth

Wister and his friend, the artist Frederick Remington, concocted much of the myth, according to Frank Bergon, co-author of a Western anthology, "Looking Far West." He said the two ignored the facts that perhaps a third of the cowboys were black or Mexican and that the West's economy was even then based on industrial enterprises, such as the

railroad, mining and large-scale agriculture.

Since World War II the cowboy life has all but vanished. Yet Medicine Bow, founded as a supply spot on the Union Pacific Railroad, is much like the West of yesterday.

Wister would recognize the town, which took its name from the Medicine Bow River. It is still a cluster of weathered, often decrepit buildings along the Union Pacific track.

For the Crane brothers, life is much as it always has been for the American cowboy. The Robbers Roost Ranch, five miles from the town, has 26,000 acres, almost twice as many as the island of Manhattan. The range buildings, some of them 60 years old, are at the confluence of the Rock Creek and Medicine Bow rivers.

"There'll always be cowboys but, my God, not like there was once," John Crane said. Maybe the Cranes cannot hold on; maybe for Frosty and Jeff to ride 60 miles a day to check stock.

"There'll always be cowboys but, my God, not like there was once," John Crane said. Maybe the Cranes cannot hold on; maybe for Frosty and Jeff to ride 60 miles a day to check stock.

The spread was built up by John Crane's father and grandfather, both dead now, beginning about half a century ago. Today the ranch is incorporated, with the shares held by Crane; his wife, Carol; Jeff and Frosty.

But in Medicine Bow, in the heart of the West, are cowboys, as there were a century ago.

## Jeff and Frosty Crane Are Genuine Cowpokes in the Heart

Of the American West, but They're a Vanishing Breed

their 19-year-old sister, Kim; and their brother, Justin, who is 8.

Frosty and Jeff, who do much of the work, are cowboys by design, not by default. The pay they draw is not high — \$300 a month plus room and board — but they say that even if they were not part of the family business, they would be cowboys. Jeff, 22, spent a semester at the University of Wyoming and quit to be a cowboy. Frosty, 25, spent a day and a half at the community college at Prescott before he came home for the cowboy's life.

They wear old jeans that are often torn and almost white with many washings, plaid shirts, and large, cream-colored hats.

Jeff's hat is in simple Western style with two indentations in the front. Frosty blocked his into the classic, high Montana Peak.

"You look at these old pictures and that is how the old cowboys wore their hats," he said. He also sports a green neckerchief, and silver spurs jingle at his heels. Both wear classic cowboys boots, without tooling, that cost about \$70 a pair.

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PEOPLE: *Bahamian Caretaker To Go to Royal Wedding*

The proudest man on the Bahamian island of Eleuthera these days is reportedly Henry Sands, a caretaker. For the last eight years Prince Charles has vacationed at the villa of his godmother, Lady Patricia Knobell, where Sands works, and the prince and the caretaker developed a great liking for each other. So much so that the prince sent Sands an invitation to his wedding in London on July 29. Sands said he did not know what to do because flying to London takes money, and besides, he did not have the proper attire for the royal festivities. But to native Americans and Mexican-Americans the statue of King Carlos I, current monarch, Spanish soil, is a symbol of oppression. The city council subsequently reversed its decision to give the statue a prominent place in the city. Yet supporters of Carlos III contend that the king should stand somewhere — someplace more honorable than a storage bin. But until the city can come up with an alternate site, the monarch stands throned.

Twenty-one years ago, when he was in Italy as a talent scout for the Greater Miami Opera Association, Emerson Buckley heard a relatively unknown tenor from Modena who impressed him greatly. Buckley hired the singer on the spot. Two years later, the singer, Luciano Pavarotti, made his debut at the Metropolitan Opera in New York and he has always remained grateful to Buckley for having had so much confidence in him. Now Pavarotti, at work in Hollywood on his first movie, "Yes, Georgia," has had the chance to return the favor. The tenor was asked to record a conductor for the sequences in which he sings with the orchestra. Pavarotti insisted that Buckley be engaged and when the Miami man arrived on the MGM lot, the movie's director, Franklin J. Schaffner, decided that Buckley was just the right man. A role of operatic and symphonic conductor has been written into the script — just for Buckley, who has been artistic director of the Miami Opera for 30 years. "I'm told I come off as a cross between Sir Thomas Beecham," Buckley said, "and Mitch Miller."

Berry Gibb of the Bee Gees has paid \$1.4 million for a 45-year-old, 12-bedroom mansion, his second purchase of a million-dollar home in Miami Beach, Fla., according to court records. Two years ago, the Australian-born singer paid \$1,047,500 for a 10-bedroom, 7-bath mansion just down the street from his new purchase. But the first house is up for sale at \$1.5 million. He and his wife, Linda, also own a third Miami Beach home that they bought in March, 1979, for \$262,000. "Barry likes to get in at the bottom end, fix them up and then sell them," said Gibb's manager Dick Ashby.

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